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# INDEPENDENT

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FRIDAY 18 AUGUST 1995

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## 16 hurt as bomb rocks heart of Paris

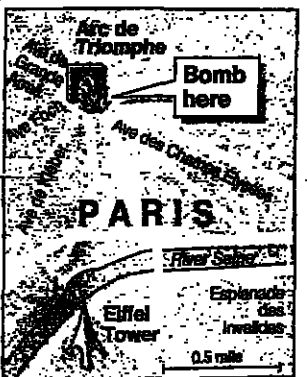
MARY DEJEVSKY  
Paris

A bomb exploded near the Arc de Triomphe in central Paris yesterday evening, injuring 16 people, three of them seriously. Police said the bomb, which was packed with nails, was planted in a litter bin near a newspaper kiosk on Avenue Friedland, close to where it meets the Place de l'Etoile.

The explosion happened just over three weeks after an explosion on a train at the city's Saint-Michel Metro station. That blast, which killed seven people and injured more than 80, had prompted fears of a concerted terrorist campaign against the French capital.

The 16 victims comprised five French nationals, a British woman, four Hungarians, four Italians, a German woman and a Portuguese man. Four of them were children.

Although a spokesman for the anti-terrorist squad cautioned against drawing an automatic comparison with the earlier bomb, the similarities were striking. Yesterday's explosion happened shortly before



5.30pm, almost the same time as the one at Saint-Michel, during the evening rush hour. It was also placed near a major transport hub and close to a symbolic Paris landmark - in the earlier case, Notre Dame Cathedral. The device was also similar: explosives contained in a camping gas cylinder. Witnesses said they saw a dark grey Mercedes car with diplomatic plates close to the scene immediately before the explosion. They said the car was going unusually fast. The Iranian embassy, on the nearby Avenue d'Iena, later condemned the explosion and denied any Iranian involvement.

The area of the Arc de Triomphe was cordoned off, creating severe traffic congestion. Twelve major streets lead into the Place de l'Etoile. Although the rush hour in August is less busy than at other times of year, the area is always thronging with tourists.

The French prime minister, Alain Juppé, visited the scene an hour after the blast, with the head of the anti-terrorist squad. He expressed sympathy for the victims and their families but made no further comment.

The attack came amid increasing signs that the investigation into the first attack was running into difficulty. Although French police have issued photofit pictures of three "important witnesses", progress has been slow.

Security in question, page 11

## Alison Hargreaves, fresh from Everest feat, is hit by avalanche on K2 Mountain heroine feared dead

IAN MACKINNON  
LOUISE JURY  
and CHARLES ARTHUR

Alison Hargreaves, the first woman to scale Mount Everest unaided and without oxygen, is feared dead in an avalanche in the Himalayas after scaling the world's most dangerous peak.

While details remained confused and sketchy, alarm over the fate of Ms Hargreaves, 33, and up to six others grew after it was learnt that they had apparently been caught by a snowfall just below the summit of K2 in Pakistan's Karakoram range.

Foreign Office officials in London were yesterday unable to confirm that she had been involved in an accident, said to have taken place last Sunday as the party descended from the summit.

According to Ms Hargreaves's husband Jim Ballard, Pakistani authorities were believed to be mounting a search for the missing climbers using high-altitude helicopters. However, the hostile terrain and appalling weather conditions will make it difficult for the rescue teams and it may be some days before full details emerge.

Mr Ballard yesterday broke the news to the couple's two children, Tom, 6, and Kate, 4, that their mother might not return. In doing so, he seemed to be preparing for the worst.

However, officials at the US Embassy in Islamabad, listed as officially missing US citizen Bob Slater, Ms Hargreaves's climbing companion, and others in the group. They include a New Zealander, Bruce Grant, a Canadian, Jeff Lakes, and up to three Spanish climbers who were engulfed by the avalanche as they came down from the 8,611-metre summit on the south-east ridge.

Nazir Sabir, one of the organisers of the expedition, which had to contend with winds of up to 100mph, was yesterday quoted by a news agency as saying that one unidentified body had been discovered.

Mr Ballard said after hearing that his wife was missing: "I have been practising for this day for nearly 10 years, ever since she first started climbing in the Himalayas."

Speaking at the Nevis Ski Range, where Ms Hargreaves was based between climbs, he said: "It is very unlikely that someone would be recovered



Lost on K2: Alison Hargreaves, who conquered Everest, is feared dead in an avalanche in the Himalayas after scaling the world's most dangerous peak

from the Himalayas. The mountain will claim Alison to itself, just like it should do. If she is dead, she has at least died where she wanted to, and she was on her way down after becoming the one woman to climb the two highest peaks on earth without oxygen in pure style."

Quoting a Tibetan saying which was a favourite of his wife, he added: "It is better to have lived one day as a tiger than a thousand years as a sheep."

All hope is not yet lost, however. If she did survive an initial avalanche, she has the ability and endurance to make a solo descent: another climber turned up a week after his partner - the Briton, Julie Tullis -

died descending K2, which has claimed more than 40 lives.

It is thought that after more than two months on the mountain, which is conical in shape and virtually sheer around the summit, Ms Hargreaves regarded this as probably her last chance on this trip. Her original partner, Alan Hinkes, made the ascent on 18 July.

Several parties set out for the summit last Sunday morning, and according to a radio message, Ms Hargreaves and Mr Slater had made the peak and were coming down only to be hit by the avalanche at about 8,000m.

Fellow mountaineers yesterday acknowledged Ms Hargreaves's feat - particularly her achievement in May when she became the second climber and the first woman to make it to the top of Everest unaided and without oxygen.

She admitted crying as she stood on the summit before radiating her children with the words: "I'm on top of the world and I love you dearly."

To climb Everest had been her ambition, but even before

reaching the summit she had set her sights on new targets. Only two weeks after returning home to Spain Bridge, Fort William, in Scotland, she was on her way to the even more dangerous K2.

Her original partner on K2, Alan Hinkes, said: "I was shattered to hear what has now apparently happened. Inevitably, I can't help feeling if she had not decided to change partners this would not have happened."

Chris Bonington, Britain's most famous mountaineer, said: "She was an outstanding person in every kind of way. She wasn't just the best woman climber in Britain, she was one of the best mountaineers in Britain and had contributed an im-

mense amount to mountaineering."

It is a sign of mountaineers' great respect for her abilities that nobody described her as foolhardy for attempting to climb the two highest peaks in the space of a few months.

"It was an incredibly demanding challenge that she set herself," said Julie-Ann Clyma, a New Zealander who has been on three expeditions to K2 without reaching the summit. "I

admire her for trying, but you can't be surprised if something goes wrong."

"On that mountain, you are on the thinnest of margins all the time. It just takes one piece of bad luck and that's it."

Mr Bonington added: "K2 is a dangerous mountain. There is no shadow of a doubt that she went into it fully realising that. She was taking a series of calculated risks that every mountaineer takes."

It is better to have lived one day as a tiger than a thousand years as a sheep - Jim Ballard (above), husband of Alison Hargreaves

### On page 3

Climber, mother and woman of the mountains:  
The fateful ascent;  
Toughest challenge

## Standards slip over Gould gaffe

DAVID LISTER

The tale of the newspaper, the Labour Party leader, the Home Secretary's son and the ultimate scapegoat, a fax machine, yesterday entered journalistic history, rivaling anything in Evelyn Waugh's fiction.

It all started when on Monday the London Evening Standard published a signed article by Bryan Gould, the former Labour Shadow Cabinet member, now an academic in New Zealand, imagining himself as a 19-year-old first-time voter and explaining how he would not be able to bring himself to vote for Tony Blair. The article provoked a rash of reactions from Labour frontbenchers, including Mr

Gould's former campaign manager, David Blunkett, saying Gould was clearly a bitter man.

All good stuff, apart from one salient fact. Mr Gould had not written a word of the piece. He had indeed been commissioned by the Standard and did fax an article from New Zealand. But the piece of his taken off the guilty machine by features executives was by delicious coincidence sent in on spec by an aspiring student writer.

And here is where Evelyn Waugh would have snickered his lips. The 19-year-old student, one Nick Howard, happens to be the son of the Home Secretary, Michael Howard.

Though both pieces pressed to be critiques of the Blair

### Tony Blair's fatal lack of vision

How the Standard presented Monday's offending article

leadership, there were subtle distinctions evident to the student of politics. Master Howard's piece attacked "MPs like Mr Blair who have given up their socialist ideals [and] are solely interested in power."

Mr Gould's piece began:

"Tony Blair has had a brilliant first year as Labour's leader. He looks like a racing certainty to take Labour to their first general election victory in over 20 years."

Lord Rothermere, proprietor of the Evening Standard, and the paper's editor, Stewart Steven, are now having to eat humble pie.

Mr Steven grovelled across the front page and most of page four of last night's Standard. "A series of errors was made and by extraordinary mischance the article commissioned from Mr Gould came over on the fax at almost exactly the same time as another article, not commissioned and with no name on it, arrived from someone else."

Conspiracy theorists can, of course, have a field day. The newspaper's features editor is Alex Renton, whose father was also a Conservative government minister. And Sarah Sands, the assistant editor, is married to the deputy editor of the highly conservative Sunday Telegraph. But cock-up remains the most likely cause.

Some questions remain, though. Why is it that Nick Howard, 19, writes in a far more lively and readable style than Mr Gould? Why were Labour MPs so ready to believe the worst of one of their erstwhile colleagues? And how many Evening Standard executives does it take to get the right article off a fax machine?

IN BRIEF			
<b>Top of the class</b> A former secondary modern school that was due to close 20 years ago has topped an Independent survey of the country's best comprehensive schools. The Anglo European School at Ingatestone, Essex, achieved better A-level results than many selective and fee-paying schools. Page 2	<b>Tube strike</b> Two unions representing London Underground workers voted overwhelmingly to take strike action. The first of what could be a series of one-day actions will be held next Friday, 25 August. Page 2	<b>Water payouts</b> Ofwat, the water industry watchdog, is calling for compensation for customers affected by falling standards of service, including loss of water pressure and the introduction of standpipes, during the hot weather. Page 6	<b>Serbs told to withdraw</b> Under the new American peace plan, Serbia has been told to withdraw its forces from Eastern Slavonia, the last chunk of Croatian territory still held by Serbian forces. Page 12
<b>Inflation surprise</b> Pressure for a rise in interest rates eased yesterday after government figures showed that the annual rate of inflation remained static last month at 3.5 per cent. Page 18			
<b>section ONE</b> BUSINESS 18-22 COMMENT 16,17 CROSSWORD 26 GAZETTE 14 LAW REPORT 14 LEADING ARTICLES 16 LETTERS 16 NEWS 2-13 OBITUARIES 14 SHARES 21 SPORT 23-26 UNIT TRUSTS 22	<b>section TWO</b> ARTS 7-16 CHESS 33 CLASSICAL MUSIC 14-16 CROSSWORD 33 EDINBURGH FESTIVAL 8,9 LISTINGS 20-25 PASTIMES 33 POP MUSIC 11-13 REVIEWS 10 TV & RADIO 27-35 WEATHER 33		

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## news

Exam analysis: Essex comprehensive with European flavour tops Independent league as sixth-formers fight for university places

## Reprieved school heads A-level table

FRAN ABRAMS  
and JUDITH JUDD

A former secondary modern school which was due to close 20 years ago has topped the *Independent's* survey of the country's best comprehensive schools.

The Anglo European School in Ingatestone, Essex, achieved better A-level results than many selective and fee-paying schools. Its 109 upper sixth-formers achieved an average of two A-grades and an E-grade in this year's exams.

The school was set to close in 1973 when a referendum confirmed Britain's future in Europe and it was

given a new flavour by Essex County Council. Since then all pupils have learnt at least one language and have had the chance to go on a foreign trip each year. One-third of sixth-formers take the International Baccalaureate, which is scored alongside A-levels on an officially-recognised points scale.

The *Independent* surveyed 200 comprehensive schools and colleges, chosen on the basis of past performance. Replies were received from 140, the best 50 of which are shown in the table on this page. Points were awarded on a scale ranging from 10 for an A-grade down to two for an E-grade. Selective schools were not in-

cluded, but independent schools will publish their own results next week.

The survey was not exhaustive, and many very good schools will have been missed out: a full list of exam results will be published by the Government in November. It did not include the results of general studies A-levels, which are taken by some schools and not by others. Nor did it include AS levels, which have the same depth as A-levels but half of the content.

Some schools declined to take part. A number object to league tables on principle, saying that they give an unfair impression and judge schools on only one aspect of their performance.

All those whose schools scored highly in the survey said they had an all-ability intake but a mixture of hard work and strong motivation by both staff and students had helped to boost their achievements.

Among the top 10 were two single-sex boys' schools and two single-sex girls' schools. Haslemere, a Jewish school in north London, has girls and boys but teaches them separately.

David Barry, deputy head of the Anglo European School, which has now opted out, said pupils from the local village were given first preference for places but others travelled from great distances to attend.

"Basically our kids are like any other kids. This year was a good year: there weren't lots of astonishing performances but there was quality across the board," he said.

The London Oratory, the grammar school which will be attended from September by Edna Blair, son of the Labour leader, came ninth in the survey. Its star pupil this year was Philip Smeaton, who gained four grade As and two distinctions in his special papers and who will go to St Anne's College, Oxford, to read maths.

His head teacher, John McIntosh, said: "We have high expectations and those expectations are reinforced each year by success. Pupils who come

into the school at 11 see that the sixth-formers are doing well and a high proportion go on to university. They know that is expected of them."

At Haslemere, which came second in the survey, a strong commitment to education was noted by schools inspectors who visited recently.

Its head teacher, Dena Coleman, said: "Education is very highly valued by the school, by the students and by the parents. Exams are important and everybody works very hard. The teachers are dedicated and the parents are supportive."

Additional research by Mark Jagasia, Tim Reid, Leela Padmanabhan and Philip Park.

## How the best schools performed

NAME OF SCHOOL	number of candidates	average points
Anglo European School, Essex	109	22.5
Haslemere High, London	85	21.4
Queen Elizabeth School, Barnet, Herts	86	21.3
Westford Grammar, Herts	128	21.2
Dunham, Johnston, Herts	126	20.8
Richmond, N Yorks	87	20.2
Cardinal Vaughan, London	56	20.1
Dame Alice Owen's, London	147	19.4
London Oratory School	117	19.3
Croswell, Swent	73	18.7
Woodhouse College, London	212	18.2
Penlands, Dyfed	4	18.1
Malvern, Cheshire	113	18.0
Walsley High, Yorks	83	18.0
Cardiff High School	102	17.8
King Edward VI School, Lichfield	101	17.7
King's School, Peterborough	95	17.4
St Nicholas RC High, Cheshire	61	17.4
Wyndham High, Norfolk	37	17.2
Alcester School, Cheshire	104	17.2
Lawrence Sheriff, Rugby	109	16.9
Jews Free School, London	112	16.8
Queen Katherine, Cumbria	79	17.9
Howard of Effingham, Surrey	108	17.8
Chalfont County, Surrey	67	17.8
St Francis Xavier College, Liverpool	59	17.8
King Edward VI, Stourbridge	423	17.7
Hinchbrook, Cambs	125	17.6
Dallam, Cumbria	38	17.4
Cockstoun High, Co. Tyrone	58	17.4
Bishop Stortford, Northants	109	17.3
Elfric High, Chyod	47	17.3
Osney School, Avon	71	17.2
Ilkeston Grammar, Yorks	59	17.2
Rosebery, Surrey	73	17.2
Old Swinford Hospital, W. Mids	76	17.0
Harrogate Grammar, Yorks	172	17.0
Charters School, Berks	77	16.8
Jrading, Cornwall, Essex	62	16.8
Landless High School, Powys	15	16.8
Blue Coat School, Oxford	88	16.6
King David High, Liverpool	42	16.6
Bishop of Landaff, Cardiff	121	16.5
St George's, Harpenden	94	16.4
Copthall, Mill Hill, London	79	16.4
Copthall School, London	79	16.4
Prince Henry's High, Worcs	72	16.4
Prince Henry's Grammar, Olney, W Yorks	56	16.4
Thomas Mills, Suffolk	90	16.4
Queen Elizabeth, Cleveland	81	16.3
Christleton High, Cheshire	106	16.2
Denbigh High, Chyod	55	16.2
Montsaye, Northants	40	16.1
Landrindod High, Wales	63	16.0
Calden High, Halifax	54	16.0
Ranelagh, Berks	85	16.0
Blue Coat School, Liverpool	125	16.0
Prince Henry's High, Worcs	72	16.0
Nailsea School, Avon	85	16.0
Wyndham Coll, Norfolk	99	16.0



Pass time: Jubilant A-level students celebrate their results at Saffron Walden County High School, Essex

Photograph: Brian Harris

LIZ SEARL

## Little brown envelopes deliver success or failure

"There's no other thing for it. I'm going to have to phone up and beg," mumbled a repentant sixth-former yesterday. Saffron Walden County High School, Essex, had demanded B, C and D grades in her A-levels, and C, D and E just would not be enough, she feared.

Nevertheless, the moment of truth could not have come sooner for thousands of students who have spent their summer filled with uncertainty about what the future would bring.

Alpa Shah, 18, studied maths, chemistry and biology at Copthall School, Mill Hill, north London, and needed B, B and C to begin her optometry course at Aston University.

"I was worried all summer because of the lower grades I had been predicted to achieve all last year," she said. "I was given an average of D for biology at the end of the year so I hadn't been expecting much really."

Alpa was ecstatic about the A, A and B she read from a brown envelope handed to her by school staff. "If I'd have known my marks were going to be so high then I might have considered a more difficult sub-

ject like dentistry," she said.

Copthall student Sophie Lucas, 18, was just "really relieved" that her AAB passes meant she could study at Birmingham University. "I really wanted to go there," she said.

She had spent the whole summer wondering whether she had done enough to warrant a place on the university's geography and planning course.

But high hopes had also been dashed by the contents of the

little brown envelope. Sally Nevrika, 18, was happily celebrating ABB, but was disappointed that she had narrowly missed out on an A in her favoured subject, Spanish.

"The result now splits oral and written tests and I know I got As for the former. It was just written that let me down and it's quite frustrating."

Phil Bassill, senior teacher at Copthall, was full of praise for this year's students: "The girls

have studied hard and 49 per cent got A/B passes. But even those who didn't manage higher marks have achieved a great deal this year. Their success is a bit like me managing to run the 100m in 20 seconds flat."

Later, the students transferred to local establishments to celebrate or drown their sorrows.

Shane Flynn, 18, from Finchley Catholic High School, north London, was "surprised" at the two Ds he received for classics and business studies, and had decided to give up on education for good.

"I'm fed up with school now, and I just want to finish. I'm going to try and get a job somewhere, although I'm not sure what I want to do."

## More students get place at university of choice

JUDITH JUDD  
Education Editor

More than half the available university places had been filled by yesterday after this year's record-breaking A-level results.

Officials at the Universities and Colleges Admissions Service (Ucas) said the speed at which places were being filled suggested that more students

might be getting their first choice places because of the good results. The A-level pass rate - those getting grades A to E - rose by 1 per cent.

Universities have already accepted 146,000 students for the expected 271,000 places, 20,000 more than at the same time last year. Tony Higgins, Ucas chief executive, said: "It is early days but it may be that fewer students

will find places through the clearing system this year."

But he urged candidates who had failed to get the required grades not to despair, saying that those who were prepared to be flexible by, for instance, taking combined rather than single honours courses and by considering less fashionable universities, had a good chance of finding places.

As the dispute about whether A-level standards are being maintained continued, pupils who had scored top grades in the exam challenged the view that the exam is too "easy".

Corinne Spennard, aged 18, from Colchester High School in Essex, who obtained six As and will study medicine at University College, London, said: "The exams were an awful lot of

hard work for everybody. It is a shame that people are raising questions yet again about whether they are as difficult as they used to be."

Michael Antram, the Northern Ireland education minister, yesterday ordered an inquiry into how the wrong GCSE grades were sent out to 33,000 pupils. A faulty computer print-out was blamed for the error.

## Patten joins ranks of retiring Tory MPs

PATRICIA WYNN DAVIES  
Political Correspondent

Former Cabinet minister John Patten yesterday became the latest of a string of senior Tories to announce their intention to retire as MPs at the next election.

Mr Patten, 50, who was sacked as Secretary of State for Education by John Major a year ago, said his decision to stand down from his Oxford West & Abingdon constituency was "entirely for family reasons."

For the Oxford-educated gardener's son, it brings to a close a recently much-troubled, and gaffe-prone political career.

He had been promoted after a successful five years as a Home Office minister. But his two years as Secretary of State for Education were plagued by teacher protests over reforms. He was forced to climb down over key aspects of testing, league tables and the national curriculum, and his "Mum's Army" of infant teachers with rudimentary training was ridiculed, and dropped.

A terse letter from Mr Patten when Mr Major sacked him ranked as one of the bitterest in political history. Thereafter he cut an isolated figure in the lobbies at Westminster. He said yesterday: "I hope in

## The Patten gaffes

■ Branding representatives of parent-teacher groups, including the National Federation of Parent-Teacher Associations as "neanderthal".

■ Treating a news conference on school discipline to a description of the beatings he received from Jesuits at his own school.

■ Attributing the death of a young British soldier to "become civilised again" without a revival of the fear of damnation.

■ Disclosing details of a train conversation with Labour front benchers Majorie Mowlem, about whether the Blair family would find the Downing Street flat too small.

the future to be able to play some part in the life of the nation and of the Conservative Party... from outside the House if Commons."

Another Tory, Sir Jerry Wiggin, 56, also announced yesterday that he would be stepping down as MP for Weston-super-Mare, bringing the total of departing Tories to more than 40.

## Tube workers call strike to disrupt holiday travel

CHRISTIAN WOLMAR  
Transport Correspondent

Commuters and other travellers in London are facing disruption after two unions representing Tube workers voted overwhelmingly in favour of strike action.

The first of what could be a series of one-day actions by the drivers' union, Aslef, and by RMT, which represents 6,000 other Tube workers, will be held next Friday, 25 August, causing severe disruption just as people are heading off for the three-day August Bank Holiday.

And travellers face another two days of possible disruption as RMT announced that there would be two further 24-hour strikes, starting at 7.30 pm on Thursday 31 August and Sunday 3 September. In both cases, relatively few trains are likely to be disrupted on those days as the effect will be concentrated on the following day.

However, London Transport will be meeting union representatives today in an effort to head off the strikes, remains optimistic. "We will be talking about hours and conditions, which seems to be the sticking

point with the unions, and we are hopeful of finding some middle ground," a spokesman said.

London Underground was angry that the unions' executives had given a date for the first action while talks were continuing. "To name a strike day before the working party had had an opportunity to fulfil its potential is a retrograde step," said the spokesman.

If the Tube drivers, who belong to Aslef, do go ahead with their action, they will force a virtual shutdown of the network as all but about 10 per cent of the system's 2,200 drivers belong to the union.

While the RMT alone could cause some disruption, if London Underground reaches an agreement with Aslef most trains will probably keep running. Last autumn, an attempted one-day strike by the RMT ended in fiasco with around three-quarters of the trains being operated.

In their second strike vote of the summer, the drivers voted by a majority of about 3 to 1 in favour of action. They had already voted to stage a series of one-day strikes in July, August

and September after rejecting a 2.75 per cent pay offer earlier this summer.

When the offer was raised to 3 per cent, London Underground management successfully brought a High Court action preventing Aslef from holding any strikes on the grounds that the wording of the first ballot was no longer relevant in the light of the increased offer.

Aslef was forced to call off three planned one-day strikes and had to re-ballot members. The RMT endorsed the strike with a 3 to 1 majority, a very similar outcome to the vote taken earlier in the summer.

## IN BRIEF

## Hospital waiting time halved

Patients seeking hospital treatment are now waiting half the time they did five years ago, the Government claimed yesterday.

Average waiting times had been reduced from eight months to four months over the last five years, latest figures revealed. Only a small minority of patients now had to wait longer than the 18-month period guaranteed by the Patient's Charter.

## Knife attack

A housewife watched the violent thriller *Basic Instinct* then went out and stabbed a sailor she picked up at random. Portsmouth Crown Court, in Hampshire, was told. Vanessa Ballantyne, 41, of Southsea, admitted causing grievous bodily harm and was committed to hospital under the Mental Health Act.

## PC stabbed

A policeman is seriously ill in hospital after being stabbed in the back with a sheath knife. Probationer PC Craig Bradbury, 25, suffered injuries thought to include a punctured lung in the incident at a bus station in the market town of Leominster, Hereford and Worcester. A 17-year-old woman was helping police with their inquiries.

## Exhibition shock

The National Museum of Photography, Film and Television in Bradford, West Yorkshire, has come under attack from over an proposed exhibition next month showing pictures of slaughtered children, severed heads and people who had died of Aids.

## Body found

Detectives have launched a murder hunt in the heart of Edinburgh's Festival Centre after the decomposing body of a young woman was found in a drain. Workmen made the find after residents complained of smells. Police said they were treating the death as suspicious and a post-mortem examination was being carried out.

## Journalist's funeral

The funeral of the BBC radio journalist John Schofield, 29, who was shot dead covering the war in Croatia, was held at St Anne's Church in Kew, south-west London.

## Arson charge

A 25-year-old woman will appear before Colwyn Bay magistrates today charged with arson following a fire at the home in Colwyn Bay, of Howard Hughes, 30, who is accused of murdering seven-year-old Sophie Hook.

## Man found hanged

A businessman from Japan accused of attempting to obtain finance using forged "war debt" bonds purporting to be worth £7.5bn, has been found hanged while on remand in a hotel in South Kensington, west London. Akira Asanuma, 68, had been remanded on conditional bail while he appeared at City of London magistrates court.

## Diplomat's wife shot

The wife of a British diplomat was shot and wounded by gunmen trying to steal a four-wheel-drive vehicle in the Kenyan capital Nairobi. Margaret Bagnall, the wife of the Second Secretary Andrew Bagnall, was attacked on the same day gunmen shot and killed the headmaster of a Japanese community school in the same suburb.

## Brainchild

A girl of three, with an IQ of 155, has been admitted to Mensa, the exclusive club for the brains of Britain. Rhianon Llinighton-Payne, from Farnley, Shropshire, was admitted after undergoing special tests conducted by an independent psychologist recognised by Mensa.

## THE INDEPENDENT ABROAD

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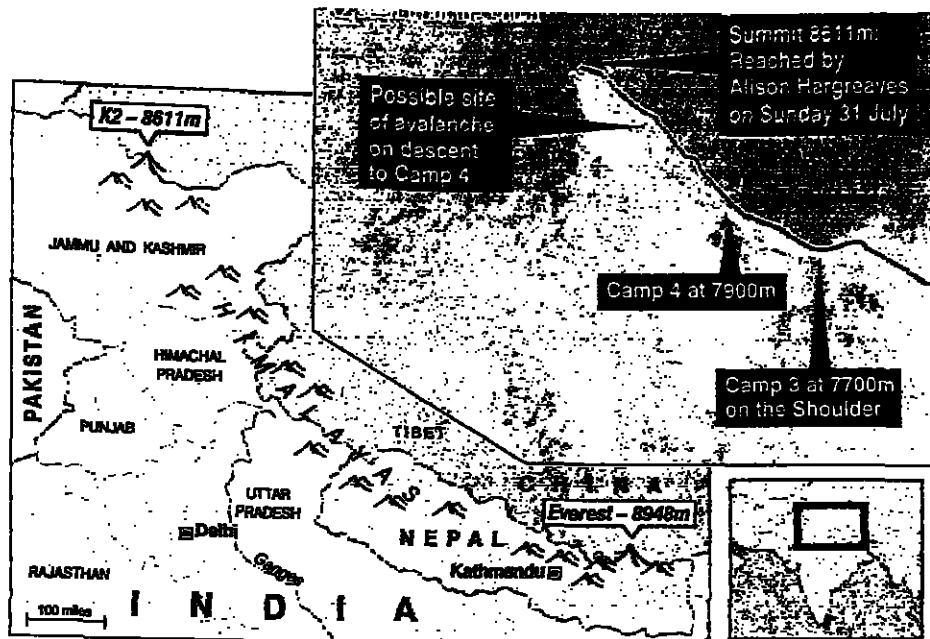
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# Climber, mother and woman of the mountains



A family affair: Alison Hargreaves, with husband, Jim, and children Tom and Kate celebrate her Everest triumph on the slopes at Fort William

## Louise Jury and Charles Arthur chart the achievements of the woman who claimed to 'have an ego as big as Everest'

Alison Hargreaves has already claimed her place in climbing legend. If anyone can "do a Houdini" and survive K2, she is the one, her husband, Jim Ballard, said yesterday. Her fierce ambition and commitment has notched up a roll call of mountaineering successes.

While she is acclaimed by colleagues for her climbing skills, her position as one of the few world-class women in the field has grabbed the public imagination. She has two children - Tom, six, and Kate, four - and makes great profiteroles, her husband once said.

But her mountaineering ability is greater. In 1988, she was six months pregnant with Tom

when she became the first woman to scale the north face of the Eiger. She was clambering around the Highlands when her waters broke. In 1993, she climbed solo the six classic north faces of the Alps in a single season, a feat which she later described in her book *A Hard Day's Summer*.

But her sights were set on the world's three highest peaks: Everest, K2 and Kanchenjunga. On the back of her successful Alpine season, she made her first attempt on Everest last year. For the first 18,000 feet,

the children went too. But she turned back in bad conditions only a few hundred feet from the top - a decision which won praise from mountaineers, who value the ability to weigh up dangers and take difficult decisions despite extremes of physical and mental exhaustion.

Undeterred, she returned this year. In May, she became the first woman to climb Everest solo and without oxygen, taking the most arduous North Ridge route. "It was a very emotional experience for me. It

had all been such hard work," she said of reaching the summit. She returned home to a heroine's welcome - but within two weeks, after spending time with her husband and children, was heading for K2, a far more difficult and dangerous challenge. Her life as the greatest female mountaineer in Britain, and arguably the world, began when she started rock-climbing at 14 in the Peak District. She graduated to Scottish winter climbing in 1979 and the Alps in 1983. Mountaineering became her life. The family sold their home

and lived in an old car for months to fund her first adventures. As her reputation grew, she earned a living by lecturing and writing. Yet she still found time for Jim, 15 years her senior, and their children. To Ms Hargreaves, the Scottish mountains near her home at Spean Bridge, Fort William, were like more than a gentle warm-up, treks she often carried out with her husband and children at her side. She described "bearing two healthy, lively children" as her finest achievement.

She once said: "I've got an ego as big as Mount Everest. I am not generally superstitious, but I make a point of never saying goodbye, just *au revoir*."



Danger zone: More than 40 climbers have died on K2

## Ambition and tragedy

### LOUISE JURY

Only one other woman has reached the summit of K2. Julie Tullis achieved her life-time ambition when she scaled the world's most dangerous mountain nine years ago. She died on the descent.

When a friend telephoned Terry Tullis yesterday to tell him of fears for Alison Hargreaves, it brought back every heart-stopping detail of the expedition which finally claimed his wife.

"I didn't know Alison, but anybody who is on K2 is close to my heart," Mr Tullis said. "I was hoping she would do it. I

wanted to write a letter of congratulation, not one of condolence."

Julie Tullis, 42, drifted from sleep to death after acting as sound recordist for fellow climber and film-maker, Kurt Diemberger. Another Briton in the party, Alan Rouse, 34, also died, too exhausted to move.

Yet Mr Tullis, now 60 and a climbing teacher in Tunbridge Wells, Kent, said he would never have dreamt of asking Julie to give up her climbing.

"I would never have done that. If people have got something they want to do, then they should do it. It's the only thing

that made Britain great, people exploring and pushing to the limits. I would respect the wishes of people like Julie and Alison all the way."

"There had already been about 11 deaths on K2 that year, but that summit was her and Kurt's dream. If Alison has managed it, that's brilliant news, that's gorgeous. To me it makes everything worthwhile. She did what she wanted."

Death is the fear every mountaineer's partner lives with. "Every expedition, every time she left home, you were left with the thought that it might happen," Mr Tullis said.

Alison Hargreaves's latest attempt on the world's most dangerous peak, K2, started just two weeks after she returned to Britain following her successful assault on Everest.

She was joined by her intended climbing partner, Alan Hinkes, when they left Britain on 11 June, reaching Base Camp two weeks later after a 10-day trek from the nearest settlement.

The remoteness of the Himalayan peak, in comparison with Everest which is only a two-day walk from the closest village, merely adds another layer of difficulty to what climbers regard as the toughest ascent.

A note from Ms Hargreaves, which has just reached her family by fax from Scott Fischer, an American in the party who returned earlier, gave a picture of her progress until a week before Sunday's scaling of the peak.

She and Mr Hinkes reached Base Camp on 25 June and left for Camp Two, but Ms Hargreaves decided to join up with an American climber, and he teamed up with someone else.

For the next weeks she climbed higher and then moved back down again in order to test her equipment and to acclimatise herself to the altitude.

"That is quite normal in

Alison Hargreaves's attempt on K2 was dogged by appalling weather, reports Ian MacKinnon

climbing," said Cally Flemming, marketing manager at Nevis Range Ski Centre in Scotland, where Ms Hargreaves was based. "There had been concern that she had lost some of her fitness in the two weeks she was home."

But by 18 July - having left the American at Camp Two - Ms Hargreaves, climbing alone and without oxygen, had reached nearly 8,000m, 600m below the summit, when she was forced back by the weather.

Mr Hinkes, who by then had teamed up with two Dutch and two Pakistani climbers, reached the summit. Yesterday, he said he last saw Alison Hargreaves on 23 July when she had been forced to return to Base Camp because of worsening weather - just before he left for Britain.

Fierce and unpredictable storms pinned her and the others in Base Camp for five days. But by 31 July the conditions had improved and, according to

the fax, she "started clearing her ropes and breaking a trail" to 6,000m, where she rested at Camp Two the following day.

Two metres of fresh snow had fallen on Camp Three, burying the tents and equipment, by the time she arrived there at 7,200m on 3 August. Yet, after digging out the camp, she was once again forced to descend by the deteriorating weather.

In the note that she wrote on 6 August, she explained that she was feeling fit and had rested for a couple of days, but was becoming increasingly frustrated by the treacherous weather.

"She wrote that she was going to go for it if the weather improved," said Ms Flemming. "She regarded that as her last chance on this trip." It seems that during the week the climbers managed to move higher and by last Sunday morning they left one of the higher camps for the summit.

Reports suggest radio messages intercepted at 6pm by other climbers say Ms Hargreaves, an American, Bob Slater, thought to be her climbing companion, and Bruce Grant, a New Zealander, had reached the summit and were descending.

What happened next could take days to unravel.

## A peak to inspire fear

### CHARLES ARTHUR

Many mountains inspire awe among climbers. But K2 generates something approaching fear, for it has a deadly reputation. Since its first ascent in 1954, there have been fewer than 130 confirmed ascents, and more than 40 deaths.

Everest may be higher, but it sees more than a hundred successful summits each year, and only a handful of deaths. In 1986 alone, 14 people died on K2 - including Julie Tullis, who had been the first British woman to reach the summit.

The principal reasons why K2

represents such a huge challenge to mountaineers lie in its position and form. Everest, though higher, is further south, and less steep near its summit: the location makes the weather more predictable, while its gentler gradient near the top makes the climbing less strenuous above 8,000 metres.

But K2, almost 6,000 miles further north, is both steeper near its summit - calling for greater climbing skills than Everest - and calm weather can suddenly turn to storms with 100mph winds that can easily last up to a fortnight, burying or destroying tents and camps.

The ridge and steep summit carry a double danger. "The snow slopes have increased avalanche dangers, and there's very technical climbing before you reach the summit," said Julie-Anne Clyma, a New Zealander who has been on three expeditions to K2.

The standard route to the summit lies along the south-east "Abruzzi ridge", after the leader of an unsuccessful Italian expedition in 1909. The mountain was named by Colonel Montgomerie of the Survey of India, who discovered it in 1856: it was the second peak measured in the Karakoram range.

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# news

## UN equality survey: Britain takes 13th place in table of 130 countries but loses marks for low participation in business and politics

# Women 'face barriers to economic power'

MARY BRAID

The United Kingdom is rated 13th in a UN survey of sexual equality in 130 countries which says that despite advances in health and education, the economic and political status of women still lags well behind that of men in all countries. "Over the past 20 years, doors to education and health opportunities have opened rapidly for women but the doors to economic and political power

are barely ajar," says the report, billed as the most comprehensive international study of gender discrimination ever undertaken. "In no society do women fare as well as men." The UN Human Development Report, which will provide the text for next month's world women's conference in Beijing, reveals that while the gender gap has more than halved since 1970, women still represent 70 per cent of the 1.3 billion living in poverty. Sweden

tops the table. Ellen Johnson Sirleaf, director of the UN Development Programme's Africa Bureau, said gender inequality had little to do with a country's wealth. Sweden and its Nordic neighbours - Norway, Finland and Denmark - led the sexual equality table because they have attacked discrimination through political policies and quotas. Britain's general quality of life rating for men and women - 18th in the table - actually rises

to 13th when the level of sexual equality is considered but it falls to 19th when the level of female participation in politics and business is measured. Cuba, Hungary, Barbados, the Bahamas and Trinidad and Tobago are among those countries calculated to have a higher degree of female participation in politics and business. In the UK, only 7.4 per cent of all parliamentary seats are held by women; a striking figure for an industrialised country

when the worldwide average is 10 per cent. Our rate of parliamentary political participation is just above the 7.3 per cent achieved in India. By contrast, half of the cabinet positions in Sweden are now held by women against an international average of just 6 per cent. The UN calculates that "unpaid, unrecognised and undervalued" women's work is worth 11 trillion dollars a year, which if recognised, would lead to women becoming the major or

equal breadwinners in most societies. While women do 58 per cent of the work in the world, they are only paid for one-third. Arab states have made most progress in improving female literacy rates but a better education is not helping women into politics and business. China's sexual equality rating is 10 places above Saudi Arabia's, although its real per capita income is only one-fifth as large. France, Japan, Luxembourg

and Spain share with developing countries the distinction that their women constitute less than one-seventh of their top managers. Trinidad and Tobago offer significantly more political and economic opportunities to women than the UK, Switzerland, Hungary, Spain, Japan and France. Japan rates third in the overall quality of life rating but its position falls to eight on the sexual equality scale and to 27 when the participation of

women in politics and business is calculated. Mrs Johnson Sirleaf said that even in countries wracked by civil war and violence, like Sierra Leone - which languishes with many other African countries at the bottom of the sexual equality table - women's rights could not be dismissed as mere luxury. "In many African countries, women are strong at grass roots. Many complain that men are the cause of their countries' problems."

## Global sisterhood separated by gaping chasm in emancipation

BRITAIN

Val Finney, is a 36-year-old mother of two from Widnes, Cheshire. She considers herself lucky compared to many other working women in Britain today, writes Matthew Brace. The company she works for as a telesales operator pays her the same as her male colleagues (£8,500 a year) and she has similar promotion prospects. At home, her husband does "his fair share of housework". But she says her experience is untypical and that working women in Britain still get a raw deal compared to their male counterparts. "First of all, child care is non-existent. Luckily my children are 14 and 16 now but if they were younger I just couldn't afford to work," she said. With the majority of state-run nurseries in her area having closed down recently, she would have to send them to a private one which would cost her around £20 a day for each child. "There's absolutely nothing in Britain to encourage women to have children and work compared to other European countries. They even have creches in their supermarkets there," she said. "Here women have to trudge round the shops with children screaming at their feet all the time. Our Government has tried to get women back to work after they have had children but then they don't provide any facilities for them once they get there." Discrimination is nothing new to Mrs Finney. She became aware of it at school when she was excluded from woodwork - a lesson strictly for boys - and restricted instead to domestic science and sewing. She thinks things are changing and she sees women getting more aggressive and ambitious but she also knows equality is still a long way off. "On the work front it's still a man's world. There's still a lot of the tradition of the man being the breadwinner while the woman's job is still regarded as pin-money. I find that very unjust."

SWEDEN

Viktorija Bi, 23, a dental nurse from Palsboda, has a one-year-old daughter and is expecting her second child. Since the arrival of the modern feminism movement in the early 1970s, Mrs Bi has witnessed the remarkable advance of women in Sweden, writes Mary Braid. Strict anti-discrimination laws have given way to female recruitment targets and a more recent controversial proposal for quota legislation. Today, half Sweden's cabinet is female and 40 per cent of MPs are women. Mrs Bi feels the benefits of female emancipation closer to home. When she became pregnant with her first child the Swedish state made things easy. "You are paid 90 per cent of your salary for 12 months after you have your baby," she said. "Then if you go back to work there is no problem. You can have your child looked after from the age of four months in inexpensive nurseries subsidised by the state. I know as a woman I am privileged to live in Sweden." Swedish women still think the country has a long way to go before all things are equal. While the expansion of paid maternity leave and near-universal child care has encouraged 80 per cent of women into work most have failed to break male dominance in senior and middle management, particularly in the private sector. "My friends still complain that women do more in the home, that employers are more likely to choose a man than a woman for a job and that men still earn more than women. I hope things will be better for my daughter," Mrs Bi said. But feminists worry that decades of achievement are threatened by unprecedented economic uncertainty which has caused cut backs in public spending. The government has already reduced maternity benefit to 80 per cent of salary and plans to reduce it to 75 per cent next year.

BAHAMA

Mosammat Aleya, 27, has two young children and lives in Dhaka. Mosammat Aleya works just to survive. Her husband Mizanur Rahman, 35, works in a garment factory but does not earn enough to keep his family, writes Mary Braid. Ten years ago when she first went to work Aleya was criticised by her family. But times have changed and economic pressure has altered traditions. "At first people used to look at me when I went to work but lots of women go to work every day now." With the pressure Aleya is under it is not surprising that the country's feminist movement is yet to make an impact on her. Bangladesh rates 108 out of 130 in the UN sexual equality table. Aleya rises at 4am to do her housework and prepare breakfast for her children and large extended family. After taking her children to school she walks a few miles for an 8am start at another garment factory. The hours are long and she is not in when her children come home from school. The eldest, 11, has to look after his brother, five. "I bought them a stereo and a television so they could confine themselves in the house and not loiter around," she says. Tough times also mean a smaller family. Aleya, unlike her mother, uses contraception and is determined to have no more babies. A large slice of their income goes on a private tutor for the boys to supplement their school lessons. They moved from the suburbs of the city to improve the family's chances - Rahman switched from teaching to the factory to earn more money - but life has proved hard to improve. Aleya wants more for her children. "I hope there would be something some day," she says. Although feminism has not yet grabbed her she supports trade unionism and despairs of the lack of interest among her fellow workers. "Even in our factory we are not united in our common cause," she says.



Worlds apart: A British woman taking a breather outside a supermarket after doing the shopping. Below: A Nambian woman, baby on her back, carrying home her catch of fish. Photographs: Glynn Griffiths



## 'Targets better than quotas'

MARY BRAID

The UN report confirms that the UK is near the bottom of the European sexual equality league, particularly in childcare and pay, the Equal Opportunities Commission claimed yesterday. Peter Smith, EOC Commissioner, said that "much more needed to be done" to further equality in Britain. But Mr Smith disagreed with the assertion of Gro Harlem Brundtland, Norway's woman Prime Minister, that quotas were the way to increase women's influence and promote equality. "The EOC advocates the use of targets as a basis for setting goals and measuring progress," he said. "Targets should not result in positive discrimination and merit should be the criterion for selection/participation in decision making." The EOC argues positive discrimination or quotas are contrary to the fundamental principle of equal opportunities and unlawful under the Sex Discrimination Act. But it claims legislation makes an exception for political parties - like Labour - who want to draw up all-female candidate lists to satisfy internal dissatisfaction with the level of female political participation and raise the number of women in parliament from the current appalling low. The Human Development report has drawn up a five point strategy for change which includes a demand that governments take serious steps to reach a previous UN target of female participation in national decision-making of 30 per cent. But the report states that opinions differ about whether affirmative action - quotas - should replace targets to achieve this.

## A woman's place in the world

### Quality of life index

#### TOP 30 COUNTRIES

Highlighted countries do better in their treatment of women than their rank in the overall table

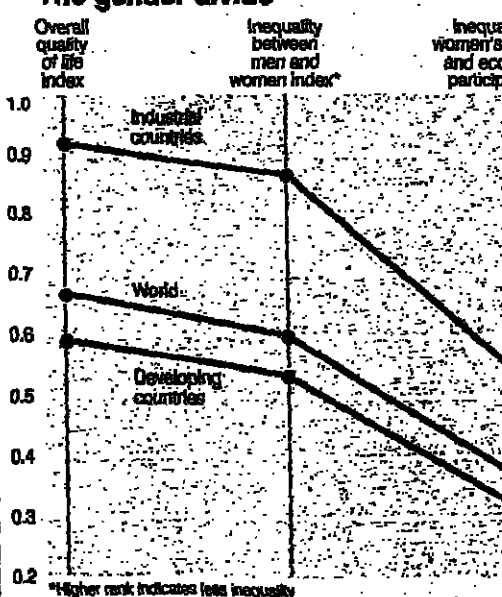
Overall	Women
1 Canada	1 Sweden
2 USA	2 Denmark
3 Japan	3 Netherlands
4 Netherlands	4 Finland
5 Finland	5 USA
6 Iceland	6 Australia
7 Norway	7 Belgium
8 France	8 Japan
9 Spain	9 Canada
10 Sweden	10 New Zealand
11 Australia	11 Belgium
12 Belgium	12 Luxembourg
13 Switzerland	13 UK
14 Austria	14 Italy
15 Germany	15 France
16 Denmark	16 Sweden
17 New Zealand	17 Belgium
18 Belgium	18 UK
19 Ireland	19 Switzerland
20 Italy	20 Netherlands
21 Israel	21 Finland
22 Greece	22 Poland
23 Cyprus	23 Hungary
24 Hong Kong	24 Austria
25 Barbados	25 Portugal
26 Bahamas	26 Luxembourg
27 Luxembourg	27 Greece
28 Costa Rica	28 Singapore
29 Belize	29 Netherlands
30 Argentina	30 Ireland

#### BOTTOM 30 COUNTRIES

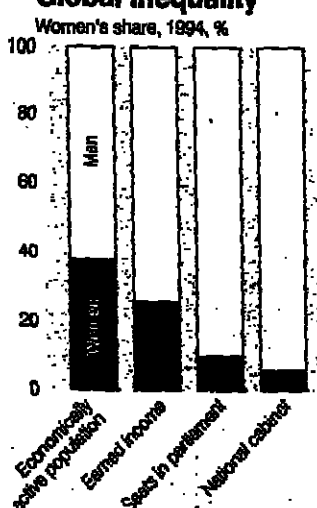
Highlighted countries do worse in their treatment of women than their rank in the overall table

Overall	Women
145 Ivory Coast	101 Niger
146 Bangladesh	102 Zambia
147 Tanzania	103 Pakistan
148 Haiti	104 Thailand
149 Central African Rep	105 Haiti
150 Mauritania	106 Central African Rep
151 Nepal	107 Ivory Coast
152 Senegal	108 Bangladesh
153 Cambodia	109 Sudan
154 Djibouti	110 Uganda
155 Benin	111 Senegal
156 Rwanda	112 Djibouti
157 Malawi	113 Malawi
158 Uganda	114 Benin
159 Liberia	115 Nepal
160 Bhutan	116 Mauritania
161 Gambia	117 Yemen
162 Chad	118 Angola
163 Guinea-Bissau	119 Gambia
164 Angola	120 Guinea-Bissau
165 Burundi	121 Burundi
166 Somalia	122 Chad
167 Mozambique	123 Mozambique
168 Guinea	124 Ethiopia
169 Burkina Faso	125 Guinea
170 Afghanistan	126 Burkina Faso
171 Ethiopia	127 Niger
172 Mali	128 Mali
173 Sierra Leone	129 Sierra Leone
174 Niger	130 Afghanistan

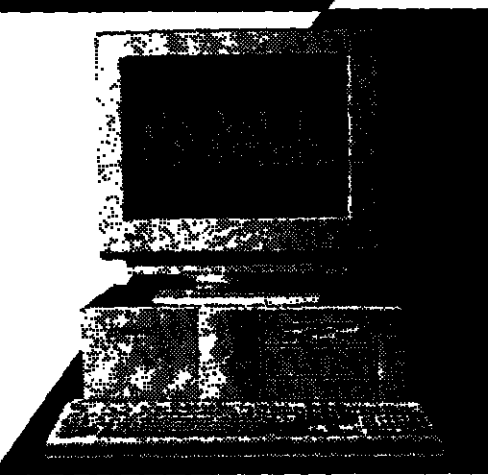
### The gender divide



### Global inequality



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Cold War papers: Secret Foreign Office unit used private sources to disguise government role in winning hearts and minds

## Healey was conduit for anti-Soviet propaganda

Reports by SCOTT LUCAS and JOHN CROSSLAND

The 1948 papers of the Information Research Department, a top secret section of the Foreign Office, confirm the department's mission was to win "hearts and minds", both in the free world and behind the Iron Curtain, at the onset of the Cold War.

This was done through private sources who had spread the IRD's message without referring to the government.

They included a young Labour Party official named Denis Healey, later to become Foreign Secretary. In June 1948, a junior officer of the IRD noted: "A meeting should be held with Mr Healey of Transport House to discuss the possibility of the British Labour Party opening direct contact with the Socialist Party and Trade Unions in Burma."

This was the start of a relationship in which Mr Healey, then International Secretary of the Labour Party, became one of the most important "private" propagandists for the

IRD. Papers released at the Public Records Office yesterday confirm that Mr Healey, now Lord Healey, helped spread the anti-Communist message to socialists in Europe and Asia.

The IRD initiated the relationship with Mr Healey. Christopher Mayhew, the junior minister in charge of the IRD, wrote to Mr Healey about the Burma situation and arranged a meeting between IRD representatives and the Labour Party official.

Soon, however, Mr Healey was volunteering names and projects to the IRD. In November, he passed on the names of prominent émigrés, including former high-level officials in the Hungarian, Polish and Czech governments. Adam Watson of the IRD noted that it could notify the BBC of the émigrés and ask "Mr Healey to act as an intermediary and to suggest articles that they might write" for publication.

A month later Mr Healey, after attending an international conference of socialists, provided Mr Watson with a list of the key figures in the Dutch,



Winning the peace: Denis Healey, (left) and Roy Jenkins, both in uniform, at Labour's party conference in June 1946 Photograph: Hulton-Deutsch

Norwegian, Swedish, French and Italian Socialist parties. The IRD immediately added the names to its distribution list for anti-Communist briefings.

Mr Healey was instrumental in providing Labour Party material for the IRD to spread abroad as examples of the unit-

ed British stand against the Soviet Union. One pamphlet, *Talking Points*, defended increases in British defence spending while warning that "the only class of Russian manhood exempt from military service is the male ballet dancer".

In June 1948, Mr Mayhew

proposed that *Freedom First*, a TUC pamphlet that relied on IRD material, begin an edition for trade unionists abroad. The department would provide information and funding.

But the IRD was concerned about the standard of writing: articles like "Take the lid off the

Communist cesspool" were too strident. Mr Healey passed on the concerns to the pamphlet's editors. To preserve the covert relationship between the government and the TUC, he offered the suggestions as his own. Lord Healey said yesterday: "I had no qualms about

passing on the information I acquired [to the IRD] because the Soviets regarded Social Democrats as their number one enemy." He said that his link between the Labour Party and the Eastern European émigrés "was quite independent of the IRD".

## Mother refused right to live in UK

The mother of a 17-month-old baby is facing deportation after yesterday losing a plea in the Court of Appeal to be allowed to remain in the United Kingdom with her family under the protection of European law.

Three judges unanimously ruled in a test case that Kulwinder Phull, 27, from India, had no legal right to stay even though she was married to a UK citizen, Harpal, 30, and her young son, Harmanjeet, was also British.

Lawyers for Mrs Phull, of Greenford, west London, argued that her deportation would infringe the rights of her husband and son as European Union citizens under the Maastricht treaty.

Ian Macdonald QC, for the Phull family, argued that the treaty expanded the existing right of EU citizens "to reside and move freely within the territory of member states". As a result, Mr Phull now enjoyed "a European right" to reside in the UK which ran parallel to his benefits as a British citizen - and included the "right of family reunion". He argued that the courts were legally bound to stop the family being split up by Mrs Phull's deportation.

But Lord Justice Leggatt, Lord Justice Schiemann disagreed. In a joint judgment which will affect many other similar cases, they ruled that the treaty did not apply to "purely internal" situations in a particular country and no additional right of citizenship had been created.

They dismissed the Phull family's application for judicial review of the Home Secretary's refusal last August to revoke the deportation order.

Mrs Phull first arrived in Britain in May 1989 and entered into a first marriage which failed. The deportation order was made against her in May 1991, a month after she married Harpal.

Lawyers for the family asked for leave to appeal to the House of Lords on the grounds that it was an important test case which might have to be decided by the European Court of Justice. The judges refused leave.

The Home Office undertook not to proceed with Mrs Phull's deportation until after she had an opportunity to petition the law lords directly.

## BBC chiefs bowed to pressure from our man in Moscow



Sir Ian Jacob: urged to vet any speakers on Russia

Evidence of how far the BBC was willing to compromise its statutory obligation to unbiased news coverage emerges in the hounding of a woman broadcaster at the behest of the British ambassador to Moscow, detailed in the IRD papers which have been released at the Public Record Office.

The ambassador, Sir Maurice Peterson, complained to Christopher Warner, Assistant Secretary at the Foreign Office with responsibility for the information research department, of "a Communist-inspired talk" on the Home Service in Feb-

ruary 1948, on Soviet housing, by Olga Watts. He wrote: "The talk [which was repeated in the *Listener*] was so honey that one wonders how the BBC allowed itself to be led up the garden path by her. The only thing that is true is that almost everybody in Moscow lives in a flat... It is not much good our planning anti-Communist psychological warfare if we are going to let Communist-style dwell of this kind into the inmost fastness of the BBC."

Mr Warner wrote to Sir Ian Jacob, director of BBC External Services and later director-

general, suggesting that in future "they should get their Russian experts to check the reliability of speakers on Russia before they are allowed to come on air, or take other effective steps to vet them and their scripts". Relaying this to Sir Maurice he urged: "The fact that I have written to Jacob should be kept confidential."

The BBC's response reflected the willingness with which the World Service collaborated on the IRD's anti-Communist strategy. GR Barnes, director of the spoken word, replied on behalf of Sir Ian Jacob: "We

regret the fact that it was broadcast. The script was passed with the important proviso that the producer made clear that Mrs Watts was a privileged person in Moscow and was describing the life of a commissar. Jacob tells me that our Russian section got hold of Mrs Watts and cross-questioned her. They found her rather unintelligent and got very little that was useful from her."

Sir Ian agreed to go along with the IRD in channelling anti-Communist propaganda after having his doubts allayed by Mr Warner. The IRD had

less success in listing the documentary film units. Its attempt to merge the work of the independents such as Movietone and Gaumont Pathe was doomed from the start.

On 2 October 1948, CF McLaren reported back to Mr Warner and Christopher Mayhew on the "lunatic air" of the meeting where he tried to persuade the documentary maker John Grierson working with the COL to collaborate with the independents on anti-Soviet propaganda. He said the news-reel companies had now broken off relations with the COL.



Christopher Mayhew: told of 'lunatic air' of meeting

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## news

# Watchdog calls for 'poor water' refunds

MARY FAGAN  
Industrial Correspondent

Oswat, the water industry watchdog, is calling for compensation for customers affected by falling standards of service during the hot spell. The regulator wants companies to come forward voluntarily but may also seek to have compensation enshrined in the industry's Guaranteed Standards Scheme.

A spokeswoman for Oswat said that the idea is in the early stages, but could cover loss of water pressure as well as the introduction of standpipes - which is becoming increasingly likely in parts of Yorkshire as the drought continues.

Hundreds of thousands of customers were left without water for several hours earlier in the summer, as others turned on their hosepipes, causing huge surges in demand.

Oswat stressed that it would not cover hosepipe bans, adding that customers "ought to pay when they use excessive amounts of water."

The compensation could cost the industry millions of pounds. At present, companies have to pay in some cases of unacceptable interruption in supply, but there is no cover for use of standpipes. The introduction of new compensation would need Government approval.

Oswat also attacked the companies for failing to manage their resources. The spokeswoman said: "We are not taking about short term fixes. Over the last few years if companies had spent more on leakage then the water might have lasted a few more weeks." Leakage from pipelines in North West Water and Yorkshire Water's regions is 30 per cent or more, and they are among the companies worst hit by the drought.

The water industry in England and Wales has invested £15bn since privatisation in 1989 and is to invest a further £14bn by the end of the decade under the

regulatory regime. About one-fifth of investment so far has been on water distribution.

The risk of moorland and grass fires mounted as the long dry spell continued with no promise of any rain last night. Five fire crews and 20 Peak District rangers were last night dousing burning peat and heather on Derwent moors, west of Sheffield.

A helicopter ferried water supplies from a nearby reservoir, but drifting smoke forced the closure of the A57 Sheffield-Manchester route. The moorland is a site of special scientific interest and Peak District National Park officials said they feared hares, and fledgling merlin, skylarks and meadow pipits may have died in the flames.

In the border counties of England and Wales helicopter patrols are to be mounted to ensure that farmers comply with a ban on pumping water from the River Wye from today. Fines of up to £20,000 are possible.

National Rivers Authority officers will support the day-time air operation with night monitoring. The restrictions will remain until 30 September unless there is sufficient rain.

Yesterday, William Courtney, chairman of Southern Water, revealed at the company's annual meeting in Brighton that the garden at his home in Weybridge, Surrey, which is supplied by a French-owned water company, was parched.

Mr Courtney, facing questions about company profits and a hosepipe ban on 200,000 householders in Sussex, told shareholders that he felt sorry for gardeners but said he too had "a lawn like concrete and roses with no leaves".

Southern Water's hosepipe ban was due to excessive demand, he said.

Southern Water has made a pre-tax profit of £143.4m, but Mr Courtney said the company would not be giving money back to customers.



Blissful moments: Rosie the rhino up to her chin in mud yesterday during her daily hosing down at London Zoo by keepers who are trying to keep the animals cool during the heatwave

## More salt in diet could help chronic fatigue

CELIA HALL  
Medical Editor

More salt in the diet together with heart drugs may be the answer for thousands of patients who suffer from chronic fatigue syndrome, according to new research from the United States.

Doctors at Johns Hopkins University Medical School in Baltimore believe they have found a link between chronic fatigue syndrome (CFS) - also known as myalgic encephalomyelitis (ME) - and a form of low blood pressure.

Professor Hugh Calkins, director of electrophysiology in the school's cardiology division, said yesterday that if their ideas prove to be true then many CFS patients who put themselves on restricted "healthy" low-salt diets may be doing themselves more harm than good.

The latest study from the Johns Hopkins researchers involved 23 CFS patients and will be published later this year. However, the *European newspaper* said in a report yesterday that 19 of the patients treated with increased salt and drugs, 15 improved, and 9 recovered completely.

Professor Calkins said that although their sample was small, the link was sufficiently interesting to mount a full, scientific

ically controlled trial, which is now being set up.

The association has been made between neurally mediated hypotension (NMH) and CFS because of the similarity of the symptoms that follow fainting episodes. After faints the NMH patients often complain of abdominal discomfort and aching muscles.

The theory is that if patients suffer episodes of low blood pressure several times a day or a week this could be sufficient to render them constantly fatigued. The link was made in an earlier study reported in the *Lancet* in March, which described seven adolescents who fainted after exercise.

They were treated with more salt in the diet and heart drugs and four out of seven got better. All had suffered light-headedness and fatigue after exertion, most also had nausea, headaches, abdominal pain and problems concentrating. Four were already diagnosed as having CFS. The drugs were used to steady the heart rate which works harder during episodes to increase the blood circulation.

They were given a tilt test used to diagnose NMH, in which patients are put on an upright tilt table for up to 30 minutes. This can induce fainting or light-headedness in affected people.

## Pools winner denies deal to share fortune

A man who won £1.8m on the pools yesterday told a court that he had never made a gentleman's agreement to share his fortune with his workmates.

Paul Pitt, 28, denied owing three former friends £25,000 each as part of a deal to share the money if any of them won more than £1m. Martin Foulds, 27, Graham Ware, 27, and Andrew Sullivan, 30, claim Mr Pitt still owes them their share after his Littlewoods Pools win more than two years ago.

Mr Pitt, told Portsmouth County Court that he had never agreed to pay them and had never heard of "the big one" - the phrase his friends used to describe the jackpot win.

Mr Pitt said that his former workmates at Pall Europe Engineering in Portsmouth, Hampshire were either mistaken or lying when they had told the court they knew about the agreement.

The three claimants, who are suing him for breach of contract, claim that he won £1.8m on an individual Littlewoods coupon which was covered by the gentleman's agreement they had all shaken hands on.

The case continues today.

One shot is all it takes to destroy a life.  
But ex-cop Lorraine Page will be back -  
no matter what the cost...

# LYNDA LA PLANTE

## Cold Shoulder

The electrifying new bestseller from the award-winning  
creator of *Prime Suspect* and *The Governor*



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## Man faces jail for kidnapping cat

A woman's Persian cat was kidnapped by a property developer in a row over money, the Old Bailey was told yesterday.

Nigel Bass demanded £10,000 for returning the animal. "It has got to be a straight swap - money for the cat," he told Fiona Szekere, 32, of Clapham, south-west London. "Taking her cat was - for her

- like taking a child," Recorder Ann Curnow said to Bass as she warned him he faced jail.

"Obviously her devotion to her cat is akin to that which other people - fortunate enough to have children - have for them."

The judge remanded Bass for reports after he admitted blackmailing his former colleague and friend last January.

Bass, 33, of Shepherd's Bush, west London, was arrested after Miss Szekere reported the matter to police and a meeting was arranged at which the cat was to be returned in exchange for money. He told police: "I must have been temporarily insane... It's like a bad bloody dream. The whole thing is a sick joke that went wrong."

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# Climber

MAGAZINE  
LYNN HILL

A woman  
of substance

CAPITAL  
CLIMBING

Four walls indoors

BELAYING

How to become  
a safer second

95% SATISFACTION GUARANTEE



SEPTEMBER  
ISSUE  
ON SALE  
NOW

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## re salt in could help nic fatigue

ically controlled trial which was now being carried out.

The association has been made between chronic fatigue and low sodium levels in the blood. The symptoms of the condition are: muscle aches, fatigue, and a feeling of abdominal discomfort or bloating.

The theory is that if you suffer episodes of low blood pressure several times a week, this could lead to fatigue to render them constantly fatigued. The link was made in a earlier study reported in a journal in March, which described a group of patients with chronic fatigue syndrome who had low sodium levels in their blood.

They were treated with salt in the diet and found they and their blood pressure were better. All the patients had headaches, dizziness, paraesthesia, and problems with concentration. They were already on a low salt diet. The study was to steady the blood pressure, which was found to increase the blood pressure.

They were also treated with a low salt diet, which was found to be effective in treating the condition. It was found that the patients who had low sodium levels in their blood were more likely to have the condition than those who did not.

## winner denies to share fortune

Ed Ball on the 100th anniversary of the birth of a woman who has won a fortune of £2.4 million.

She is a woman who has won a fortune of £2.4 million. She is a woman who has won a fortune of £2.4 million. She is a woman who has won a fortune of £2.4 million.

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at 1000 hours, the cat was seen in the wild in the mountains of the Himalayas.

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BATTERY CHARGER FOR £25

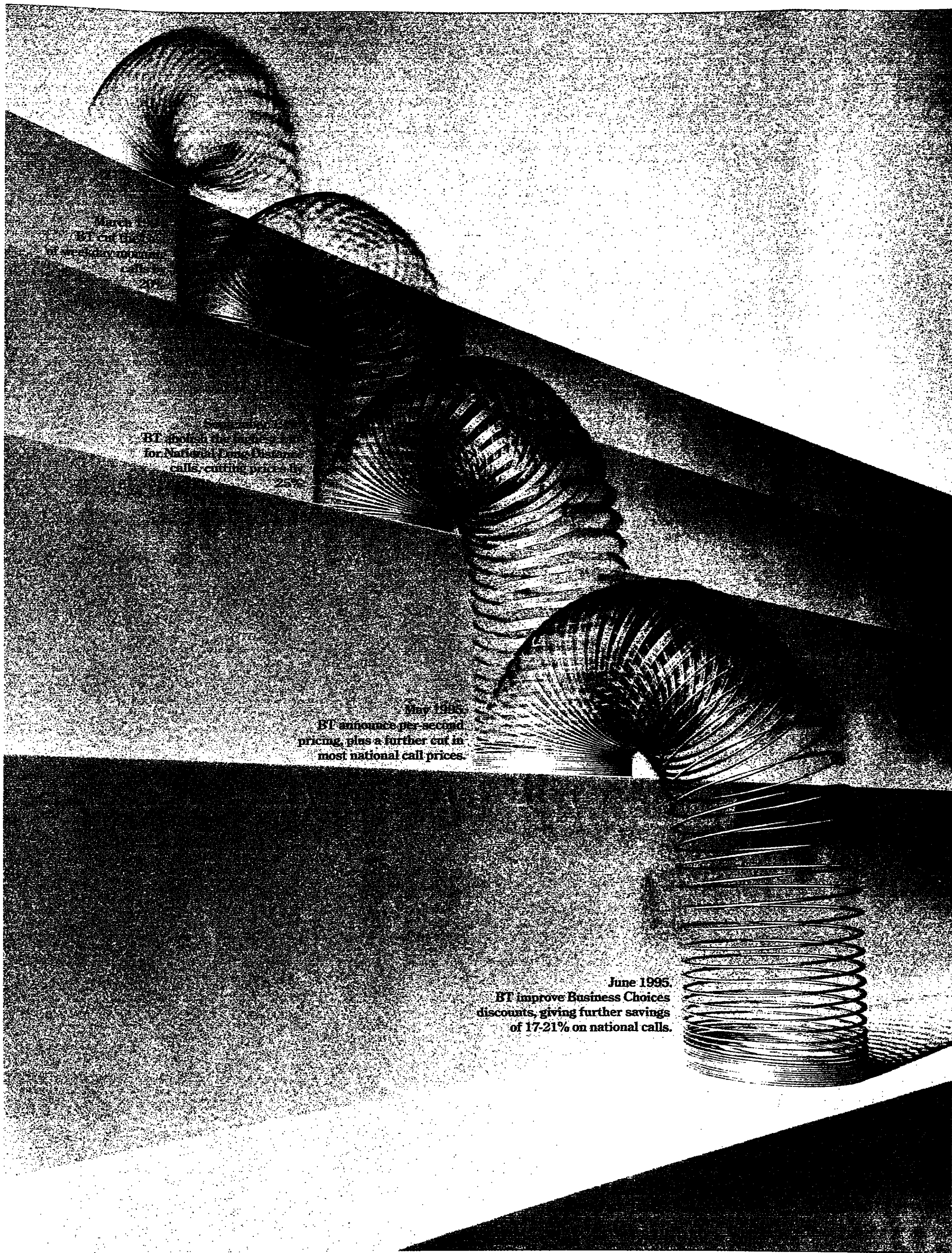
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# Climber

MAGAZINE  
LYNN HILL  
A woman of substance  
CAPITAL CLIMBER  
Four walls in  
BELAYING  
How to become a safer soloist

SEPTEMBER  
ISSUE  
ON SALE  
NOW



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national calls by 25%

BT announce the lowest prices  
for National Time Out calls, cutting prices by 25%

May 1995  
BT announce per-second  
pricing, plus a further cut in  
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June 1995  
BT improve Business Choices  
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of 17-21% on national calls

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## news

## Navy 'has £12m to meet gay challenge'

STEPHEN WARD  
Legal Affairs Correspondent

Gay rights activists claim that defence chiefs have set aside millions of pounds in next year's budget to meet compensation claims if the courts rule that their ban on homosexuals in the armed forces is illegal.

The gay rights pressure group Stonewall said it had seen confidential documents showing that in its latest 10-year spending estimates the Royal Navy has allocated £12m for that purpose for the 1996-97 financial year. It has not seen figures for the Army and the RAF, but said the other services would have made similar provision.

The forces were embarrassed by having made no advance provision for the millions of pounds they had to pay out in compensation after court rulings that they had acted unlawfully by dismissing servicemen who became pregnant.

But defence chiefs yesterday

denied Stonewall's claims. A Ministry of Defence spokesman insisted that there was no contingency money to pay for an estimated 250 servicemen and women who are planning to claim money if the courts rule against the MoD.

In October, the Court of Appeal is due to hear a test case involving three men and a woman who were forced to leave their jobs in the armed forces because of their sexuality. Whichever side wins, the case is virtually certain to be referred to the House of Lords.

When the case first came to the High Court, Lord Justice Simon Brown said it was with "hesitation and regret" that the court decided it could not overturn the ban on gays in the armed forces. "The tide of history is against the Ministry of Defence. Prejudices are breaking down - old barriers are being removed," he said.

Later this year, a Commons select committee will re-

sider the policy, which leaves Britain virtually isolated in the Western world - and the Government will decide whether to renew the ban when it passes a new Armed Forces Bill next year. Opponents claim that guidelines on appropriate conduct by service personnel would prevent any difficulties with lifting the ban on homosexuals.

The four service personnel had applied for judicial review of the ban after being forced to leave the forces despite impeccable service records.

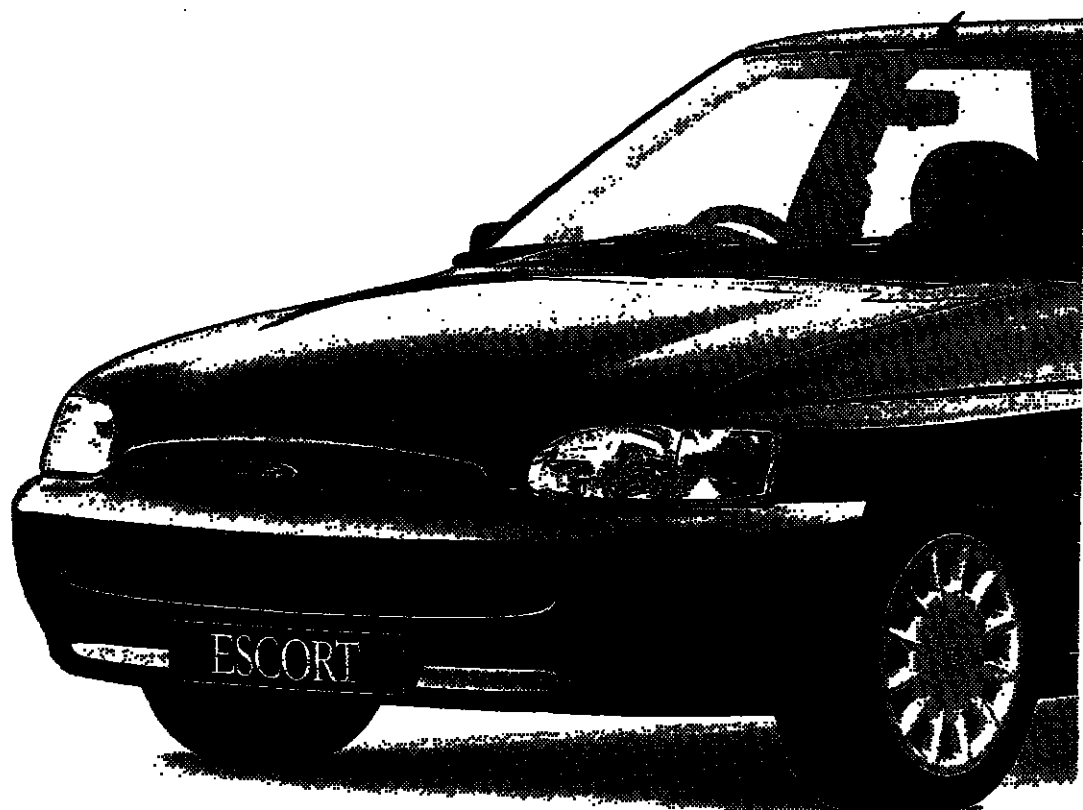
Service chiefs argue that homosexuality could corrupt young soldiers, and undermine morale and efficiency.

Armed Forces ministers recognised that the judges were calling for a review of the system, and pledged to study what they had said very carefully.

However, the Ministry of Defence said yesterday that it would not be taking any action or review before the Court of Appeal hearing.

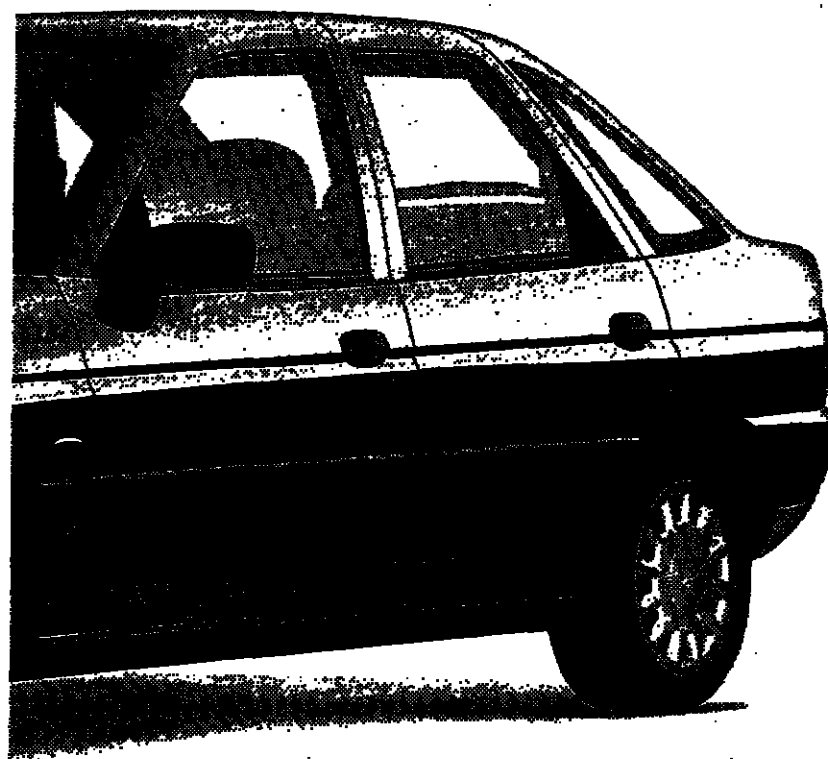


On call: Two soldiers from the Royal Regiment of Fusiliers stand guard by a Green Goddess engine near the Liver Building in Liverpool yesterday. A total of 425 soldiers and 10 RAF fire rescue teams provided cover during a nine-hour strike by the city's firefighters. Photograph: Reuters



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Low-tar brands  
'do not cut risk  
of heart attack'LIZ HUNT  
Medical Correspondent

Smokers in their thirties and forties have five times as many heart attacks as non-smokers, according to the largest British study to date involving almost 14,000 survivors.

The findings show that both low and medium tar cigarettes substantially increase the risks of heart attacks at all ages. The report, in the *British Medical Journal*, says that "irrespective of whether low or medium tar cigarettes are used, about three-quarters of smokers in their thirties, forties, and fifties, need not have done so."

Dr Rory Collins, of the clinical trial service unit at Radcliffe Infirmary in Oxford, which supervised the research, said: "This huge study shows there is no such thing as a safe cigarette - they're all good at killing you."

"The younger you are, the bigger the proportion of heart attacks caused by tobacco. When cigarette smokers have a heart attack in their thirties or forties, there is an 80 per cent chance that tobacco caused it."

For those aged 50-59, the corresponding figure is 66 per cent, falling to 50 per cent at age 60-79.

The researchers analysed smoking behaviour and blood profile data from 13,926 heart attack patients discharged from British hospitals over five years and 32,389 of their relatives.

They found that at for people aged 30 to 39 the risk of heart attack in smokers was about five times that in non-

smokers. For those aged 50-59, the risk was about three times greater for smokers, and even at ages 60-79 there was a twofold risk.

Although heart attacks appeared to be more common among smokers who favoured medium tar cigarettes, the difference in risk between smokers and non-smokers was far greater than any differences in risk between one type of cigarette and another.

The researchers concluded that far more heart attacks could be prevented by not smoking than by changing from one type of cigarette to another. However, they point out that a maximum tar yield of 12 milligram cigarette now being introduced in the European Union to reduce the carcinogenic effects, is unlikely to increase the incidence of heart attack and may well decrease it.

Professor Richard Peto of the Imperial Cancer Research Fund, who took part in the study, said: "If you happen to survive your first heart attack, then stopping smoking still makes you much less likely to have another. But stopping before you've had a heart attack is even better. Smoking causes about two dozen diseases. Overall, about half of all persistent cigarette smokers eventually get killed by tobacco."

Women who smoke during pregnancy have a greater risk of dying prematurely from tobacco related diseases, such as lung cancer, and accidents and suicides, according to a report from Finland in the *BMJ*.

Veal convoy PC  
denies telling  
driver not to stop

A policeman who was escorting the lorry which crushed the animal rights campaigner Jill Phipps under its wheels yesterday denied telling its driver to keep moving at all costs.

On the third day of the inquest into the death of the 31-year-old mother, Michael Mansfield QC, for the Phipps family, put it to the traffic policeman who led the lorry convoy that he had instructed the driver not to stop moving.

PC Steven Arnold, who was driving a police van in front of the vehicle on the way to Coventry airport, denied he told the driver to leave it to officers to cope with protesters who tried to throw themselves in front of the truck. But he told the jury that before the convoy moved off he had not briefed the driver to stop if he felt there was any danger to pedestrians.

PC Arnold said he only found out that Ms Phipps had gone under the lorry when another officer told him. He said: "I left the vehicle and an officer said there had been an accident. I saw a young lady apparently under the front nearside wheel of the cattle lorry."

Mr Mansfield suggested that the failure of the officer to radio back information about protesters on the road and his lack of advice to the driver to stop was "extremely negligent".

He said: "You were in fact saying to him don't stop, and once you got moving, you didn't. You weren't intending to stop."

He asked the officer: "Did you tell him there would be a few stragglers running about but don't you bother with them, don't pay any heed to them - we will deal with them?"

The officer replied: "I don't think I said anything like that." He added he felt a van full of officers behind the truck had the responsibility to deal with demonstrators. He would not accept that his failure to halt the convoy was "seriously negligent driving and escorting".

Pictures from a police video show PC Arnold's van continued moving down the road after the truck crushed Ms Phipps and the officer admitted he was unaware of what had happened until he heard screams.

It was earlier revealed that a police document instructing drivers to stop if they were in doubt of the safety of any pedestrians was not produced until the day after the tragedy.

Police admitted they had drafted the instructions partly in response to what had happened to Ms Phipps. Chief Inspector Jonathan Bond, said the instructions were only drafted after the accident because the tactics of the protesters were changing on a day-to-day basis.

Mr Mansfield remarked: "You don't wait until the horse has bolted before you close the gate." Ch Insp Bond replied: "It takes nothing away from the driver to observe the basic rules of the highway code."

The inquest continues.

صكرا من الامن



# Doctor was suspended on full pay for 12 years

LIZ HUNT  
Medical Correspondent

Senior health service managers who allowed a doctor to be suspended on full pay for almost 12 years have been roundly criticised for wasting more than £600,000 of public money and attempting to conceal the total costs of the case.

The report by the House of Commons Public Accounts Committee (PAC) found that "those responsible... seemed to find it easier to continue paying out public funds rather than take firm action..." over Dr Bridget O'Connell, a consultant paediatrician at King George V Hospital in Ilford, north-east London. Dr O'Connell received almost £440,000 in salary payments during her suspension.

The PAC found it "quite unacceptable" that the eventual settlement last year, authorised by the NHS Executive, included a confidentiality clause covering the costs of the case.

"Such a condition is likely to impede accountability for a serious waste of public money... We consider that this aspect of the settlement was quite inconsistent with the proper conduct of public business," the report says.

It was a matter for "serious criticism" that the former North East Thames Regional Health Authority failed to confront the problem of how to resolve Dr O'Connell's suspension. It also criticises the Department of Health and the NHS Executive for ignoring health ministers' instructions in 1988 to settle the dispute quickly. It says

new guidelines on NHS staff suspensions may not be "sufficiently robust" to prevent such events being repeated.

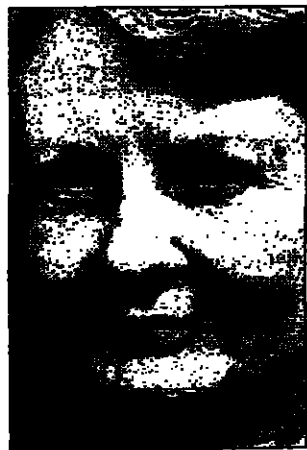
It was only Dr O'Connell's decision to sue the authority for breach of contract in 1990 that brought one of the longest running NHS disputes to a head. In May 1994, the authority abruptly withdrew all the allegations against her and disciplinary proceedings were halted. She took early retirement but was made an honorary consultant for the region on full pension, and received £154,000 in damages and legal costs. Excluding the authority's legal costs, the total bill was £593,409. Dr O'Connell, 60, now a locum consultant in Ireland, was unavailable for comment yesterday.

Despite the failures of management, neither the NHS Executive or North East Thames took any disciplinary action, the report says. An investigation by the executive is under way. Dr O'Connell was suspended from King George V Hospital in December 1982. The PAC was told there had been a breakdown in relationships between Dr O'Connell and other staff, which was disrupting patient services. She claimed there were dangerous deficiencies in child care at the hospital, out-of-date and abusive practices, and low staffing levels which were putting lives at risk. The hospital, now part of Redbridge Healthcare, says her claims were without foundation.

A spokesman for North Thames Regional Health Authority (the successor to North East Thames) said it had conducted a full review of the O'Connell case and the findings had been passed to the NHS Executive. The managers blamed by the PAC report were no longer working in the region and most are now retired.

Ken Jarrold, director of human resources for the NHS Executive, said it was "regrettable" that Dr O'Connell's suspension continued for more than 11 years. But the NHS was now better prepared to deal with other cases more effectively.

Under new guidelines introduced in October 1994, suspensions are reviewed after three months by hospital trust boards, and any case not resolved after six months is reported to the NHS Executive.



Dr Bridget O'Connell: said patients' lives were at risk

## DAILY POEM

### Static

By Robin Robertson

The storm shakes out its sheets  
against the darkening window:  
the glass finches under thrown hail,  
Unhinged, the television slips its hold,  
streams into black and white  
then silence, as the lines go down.  
Her postcards stir on the shelf, tip over:  
the lights of Calais trip out one by one.

He cannot tell her  
how the geese scull back at twilight,  
how the lighthouse walks its beam  
across the trenches of the sea.  
He cannot tell her how the open night  
swings like a door without her:  
how he is the lock  
and she is the key.

Robin Robertson, senior editorial director at Jonathan Cape, concludes the series of five publishers whose poetry has appeared in the Daily Poem this week. He was born in the north-east of Scotland and educated there and in Canada before moving to London. His poetry has appeared in the *London Review of Books* and the *New Yorker*, but he has also been responsible for bringing a range of new voices to public attention including Vickie Feaver, John Burnside, Matthew Sweeney, Sharon Olds and David Dabydeen. This year Cape has published the collections of Michael Longley, James Lasdun and Mark Doty.



Butterfly picnic: Inhabitants of the London Butterfly House in Brentford, west London, cluster round as Tim Maynard, general manager, offers a pot of a hair remover made of sugar and water. Finding 50,000 pots of the product to be unsatisfactory, the Body Shop has donated them as food. Photograph: David Sandison

# tar brands not cut risk heart attack

Smokers who switched from the most popular brand to a low-tar brand in 1990 did not reduce their risk of a heart attack, according to a study by researchers at the University of Oxford. The study, published in the *British Medical Journal*, found that smokers who switched to low-tar cigarettes in 1990 did not reduce their risk of a heart attack by 1994. The researchers found that the risk of a heart attack was 1.5 times higher for smokers who switched to low-tar cigarettes in 1990 than for those who did not switch. The researchers also found that the risk of a heart attack was 1.5 times higher for smokers who switched to low-tar cigarettes in 1990 than for those who did not switch. The researchers also found that the risk of a heart attack was 1.5 times higher for smokers who switched to low-tar cigarettes in 1990 than for those who did not switch.

# al convoy PC enies telling ver not to stop

A police convoy in London yesterday denied telling a driver to stop, despite claims that it had done so. The driver, who was stopped by the police, claimed that the police had told him to stop. The police, however, denied this claim. The driver, who was stopped by the police, claimed that the police had told him to stop. The police, however, denied this claim. The driver, who was stopped by the police, claimed that the police had told him to stop. The police, however, denied this claim.

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## international

## Row and shooting sparked Iraqi defections

ADEL DARWISH

The defection of two sons-in-law of Iraq's President Saddam Hussein and their wives to Jordan began with a row at a family dinner which led to a shooting incident, according to an account published by an Arabic newspaper in London.

*Asharq al-Awsat*, a daily owned by the Saudi royal family, said its source was an aide to Major General Hussein Kamel Hassan al-Majid, former minister of military industry and the husband of President Saddam's eldest daughter, Raghad. He and his brother Saddam Kamel Hassan al-Majid, a colonel in the Iraqi missile forces who is married to another Saddam daughter, Rana, fled to Jordan with their wives last week.

The defection has heightened tension between Iraq and the US. The aircraft carrier USS *Theodore Roosevelt* is anchored off the Israeli port of Haifa to prevent any attempt by Baghdad to put pressure on Jordan, and Pentagon officials said yesterday that US forces were being built up in and around the Gulf after the defection of "unusual" military movements near Kuwait which began five weeks ago.

The *Washington Post* reported yesterday that two senior US officials visiting the region would try to persuade Jordan to cut economic links with Iraq.

with Saudi Arabia and Kuwait being asked to supply the oil Jordan gets from Iraq. The paper said the plan would be presented by Robert Pelletreau, an Assistant Secretary of State, and Mark Parris, Special Assistant to the President, who arrived in Amman yesterday.

The granting of asylum to the al-Majid brothers has encouraged Washington's hopes that King Hussein of Jordan will join more fully in the effort to bring down President Saddam. Jordan

## An attempt by the dictator to discuss sanctions problems led to the falling-out

refused to join the US-led alliance which drove Iraqi forces out of Kuwait in 1991. According to the Arabic newspaper's account, it was an attempt by the Iraqi dictator to start a discussion of the problems caused by sanctions which led to the falling-out in his inner circle.

At a dinner in his stronghold, Tikrit, on Monday last week, he asked his guests, the leaders of the ruling Tikriti family, what could be done to rescue Iraq from economic hardship and lift the sanctions imposed

by the UN. A heated exchange followed between factions of the family, in which President Saddam's two sons, Uday and Qusay, were on one side, and the president's half-brother, Wathban Ibrahim, and his son, Ahmad, on the other. They traded accusations about who was responsible for the policies which led to the US refusal to enter into dialogue with Baghdad.

Although President Saddam trusts his half-brother implicitly, Mr Ibrahim was forced to resign as interior minister a few weeks ago to "take responsibility" for the latest failure to escape sanctions. At the dinner, Mr Ibrahim defended his cousin, the former minister of defence, Ali Hassan al-Majid, removed at the same time, and told President Saddam that they should not be the only scapegoats. The rest of the cabinet should have been sacked as well, he said.

As minister of military industry, General Hussein Kamel Hassan al-Majid was in charge of the projects - nuclear weapons research, chemical weapons and the "super-gun" programme which have caused the UN to continue sanctions. Mr Ibrahim's accusation was that General al-Majid had chosen aides who had inadvertently given the Americans too much information.

The president's half-brother also criticised the behaviour of



Affection undiminished: Saddam Hussein arrives for a meeting yesterday with the military experts who worked with Hussein Kamel Hassan al-Majid

President Saddam's two sons, especially Uday's editorials in his newspaper, *Babel*, which he said had generated anti-Iraqi feeling in the Gulf. Uday responded so angrily that his father asked him to leave the room. The row brought the

dinner to an end, but was followed by an incident at Mr Ibrahim's house in which security men, sent by Uday and General al-Majid, opened fire, wounding Mr Ibrahim. President Saddam believed his son-in-law had failed to respond

adequately to the accusations against him, however. Suspecting disloyalty, he instituted a search for General al-Majid the next day, but intelligence services reported that a convoy of 30 cars and 15 vans, escorted by General al-Majid's mo-

torcycle bodyguards, crossed into Jordan at dawn. Both sons-in-law had decided it was wiser to defect than stay in Iraq. The Jordanians kept silent at first, which encouraged President Saddam to send his son to investigate, but an announce-

ment of the defection, and the granting of asylum to two of the dictator's daughters and their husbands, came before Uday could begin talks. As a result, the disunity at the heart of the murderous clan ruling Iraq had been irretrievably exposed.

Blast fall-out: Japan leads international outcry in wake of underground explosion less than two weeks after Hiroshima commemoration

## Pacific enraged as China Peking's last chance to push button confirms 43rd nuclear test

TERESA POOLE  
Peking

China's penchant for ill-timed nuclear tests prompted an international outcry yesterday. Less than two weeks after the world commemorated the 50th anniversary of the Hiroshima and Nagasaki bombings, Peking confirmed that it had conducted an underground nuclear explosion at its Lop Nor test site in western China.

It was China's 43rd nuclear test. The previous one, in May, occurred only days after Peking agreed to an indefinite extension of the nuclear non-proliferation treaty. The Foreign Ministry yesterday said China had "exercised utmost restraint" on nuclear testing. Peking has pledged to cease testing once a comprehensive test-ban treaty comes into force. Until then it will proceed with its test programme, arguing that China has carried out fewer tests than other nuclear states.

International pressure over nuclear testing has increased since France announced it will resume testing at the Mururoa Atoll site in the Pacific next month. Yesterday Paris would not comment on China's test.

On Wednesday, China deported eight Greenpeace activists, including two photographers, for taking part in an

anti-nuclear protest in Tiananmen Square.

In Australia, the Prime Minister, Paul Keating, said his countrymen were angry that "both China and France have decided to continue testing nuclear weapons". The New Zealand Prime Minister, Jim Bolger, said the test was "all the more reprehensible in the light of the current widespread protest at France's decision to resume nuclear testing in the South Pacific".

The strongest reaction came from Tokyo, where the Foreign Minister summoned the Chinese ambassador, and the government threatened cuts in aid.

The Chief Cabinet Secretary, Koken Nosaka, said: "We seriously regret China has again conducted nuclear tests today at a time when not only Japan but the whole world was renewing the wish for nuclear disarmament after the 50th anniversary of the war and the first nuclear bombs."

Britain said it was not surprised: "You could characterise our response as resigned to the fact that there will be one or two tests from various parties such as the Chinese or the French," a Foreign Office spokesman said.

Sydney — Fourteen South Pacific countries condemned

the Chinese explosion and challenged the French president, Jacques Chirac, to call off the French nuclear testing, writes Robert Milliken.

At a meeting in Brisbane, the environment ministers of the South Pacific Forum nations called for an immediate end to all nuclear testing, and demanded that France release secret scientific data on the environmental impact of its tests at Mururoa and Fangataua atolls over the past 30 years.

The political campaign suffered a tactical setback in the form of a scientific report, released at the meeting on Wednesday, which claimed that the French tests were likely to pose little risk to human health. Commissioned from 18 Australian scientists by the Australian government, as this year's forum chairman, the report was seized upon by the French government to support its claim that the Pacific countries did not know what they were talking about.

The report said that in a worst-case scenario, radioactive contamination could leak from under the atoll within 25 years, or in 750 years at best. Either way, it suggested that the risk would be greatest for those living and working on the atoll and insignificant for people living elsewhere in the Pacific.

Despite the outrage stirred up in the Pacific by its nuclear test yesterday, Western nuclear weapons specialists believe China remains committed to a comprehensive nuclear test ban next year.

Like France, China has decided to take the last opportunity to perform more tests before a total ban comes into force, to demonstrate its ability to build smaller multiple warheads for smaller missiles.

The Chinese underground test took place at the Lop Nor site south east of Urumqi in the Xinjiang autonomous region, at

CHRISTOPHER BELLAMY  
Defence Correspondent

0100 GMT yesterday. It created a small earthquake, measured at 5.6 on the Richter scale, and the explosion was estimated as equivalent to 60,000 tons of TNT - relatively large by test standards.

With this 43rd test, China is catching up with Britain, which has conducted 44. France has conducted 192 tests since 1960. Peking says it has conducted relatively few tests - Britain, after all, had substantial technical help from the US in developing its nuclear weapons.

Last week at the disarmament negotiations in Geneva, France agreed to a comprehensive test ban treaty covering all nuclear explosions - includ-

ing very small ones, which it had previously asked to be excluded on the grounds they were needed to check the safety of nuclear weapons.

China and France are developing miniaturised nuclear warheads, suitable for fitting to missiles to be launched from submarines. China has been developing submarine-launched ballistic missiles and land-based, solid-fuel ballistic missiles which are safer to store and quicker to launch.

The latest nuclear tests appear to be connected with the development of smaller, solid-fuel missiles, possibly with multiple warheads.

The first solid-fuel missile was

tested in the 1980s, and more recently China has introduced the "M" family of mobile, land-based missiles. Two mobile missiles, the Dong Feng ("East Wind")-31 and -41, with ranges of 5,000 miles and 7,500 miles, are also under development.

Multiple warheads would be a logical development, although according to the authoritative *Nuclear Weapons Database*, the Chinese may be pursuing these technologies "as much to demonstrate their ability to master them as to gain any tangible security improvement".

The need to preserve technological prowess is also part of the British and French nuclear weapons programmes.



Thin blue line: A Tokyo policeman guarding the Chinese embassy from Japanese anti-nuclear demonstrators

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Guardian	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Observer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fin. Times	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sunday Teleg.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Daily Express	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Mail on Sun.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Token 15 will be published in tomorrow's Independent

مركز من الامم





## international

Balkan turmoil: Serbs reel from Croat attacks on Trebinje and Drvar □ Washington presents new peace plan to Milosevic

# Dubrovnik battens down for shell-storm

EMMA DAILY  
Dubrovnik

The old stone statue of Dubrovnik's medieval defender is entombed in protective pine casing while his descendants mass in the mountains to the east, preparing for a battle to push Bosnian Serb guns out of range of the walled city.

"The war is going to begin tomorrow - I will bet on it," said Ivo, as he sat in a bar singing Dalmatian folk songs with his friends.

Soldiers wandering through the town refused to answer questions about the eagerly awaited offensive against Bosnian Serb forces around Trebinje, about 10 miles away across the Bosnian border. But many residents echoed Ivo's views and expected the relative calm to be shattered soon.

In the main square, workers yesterday nailed a wooden shield around the 15th-century statue of Knight Orlando, holding the sword that symbolises the many sieges of Dubrovnik (or so the guidebooks say), and raised scaffolding before the doors of medieval churches to protect the facades from shrapnel.

A soldier complained of being recalled to duty early, while Ivo's friends said they had sent their children away for the time being. "For us the only solution is that we are out of range of their artillery," said Nikola Obuljen, the mayor. "You never know when they are going to throw their shells," he added, noting that although the old walled city has escaped fire since the start of 1992, the surrounding villages have been shelled for three years.

"People are impatient, they can't live any more in these conditions," he added. The UN estimates the Croats have sent at least 4,000 troops with heavy guns and armour into the area. They are well-hidden in the Dalmatian mountains, or across the border in Bosnia.

The silence at a checkpoint a mile short of the frontier was disturbed only by the chirping of crickets. Only 24 hours earlier, the air was filled with the sound of rocket fire, much of it directed east. Further south, beyond the village of Dubrava, which sits beneath the huge peaks of Montenegro and Bosnia, irate Croatian soldiers ordered us to leave the area.

"This is war," said the commander grimly. "You must get out." We are not the foreign visitors Dubrovnik wants.

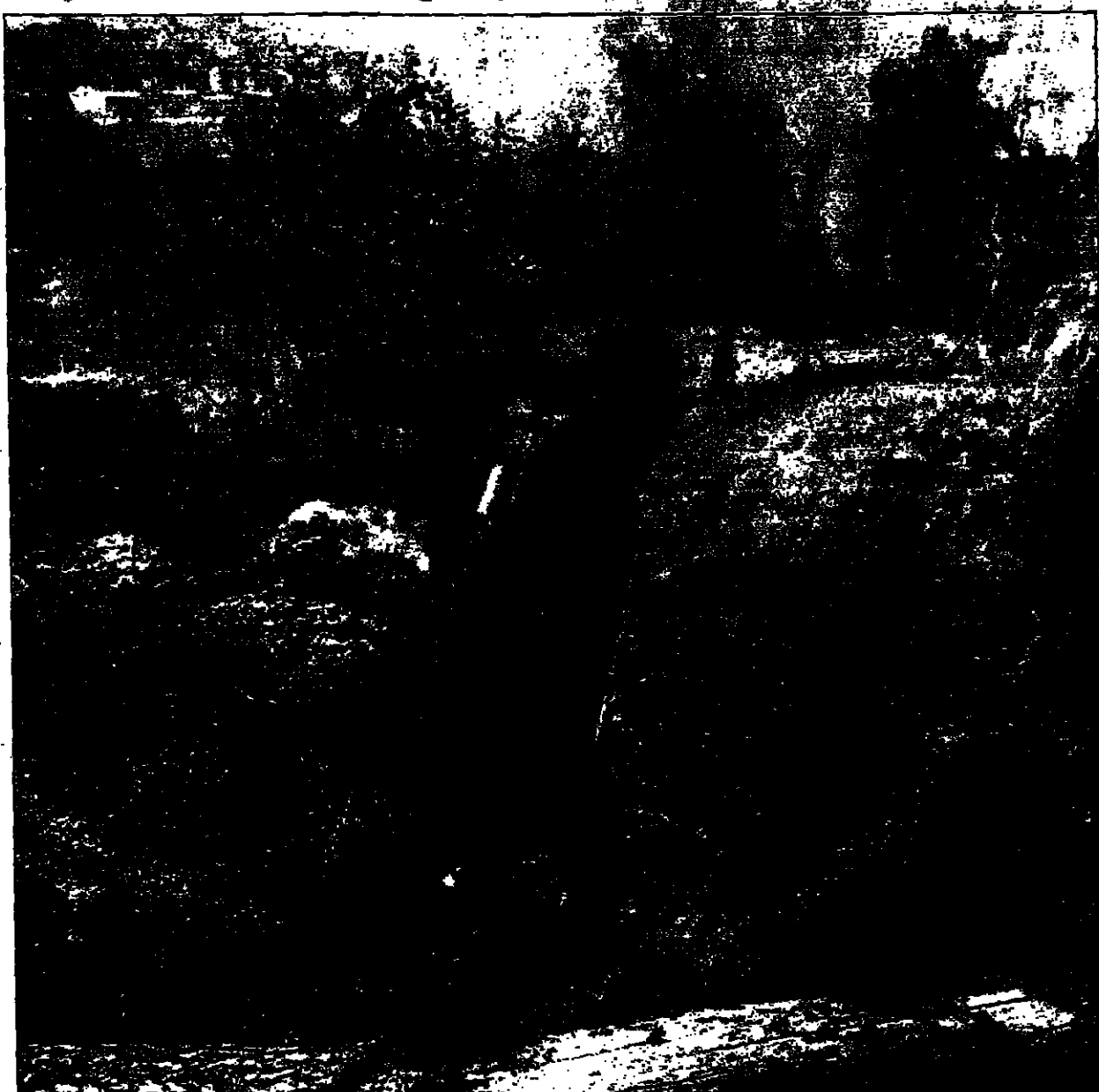
"We never asked for their nationality or their religion - just for their money," said Ivo. "But a few kilometres away in Trebinje there is an invisible wall between two cultures."

His friend Enio works in Dubrovnik with two Serbs. "They are certainly OK, we are friends. But they are worried about their relatives."

The men believe the city will suffer when the Croat army attacks Trebinje. They think there is an unspoken agreement: you shell our town, we will shell yours. So far, Trebinje has escaped bombardment; they don't think that will last.

"We will either fight or die: there is no other way," said Sasa. "But what kind of people can shell a place like this?"

The polished stone streets are empty, the stout medieval towers converted to bomb shelters, the red roofs braced for their fate, the people eager for a conclusion and a return to real life. "All my life I dreamt of seeing the city without tourists," said Enio. "Now I'm sick of it."



Fire alarm: A young Croat dousing logs with water from a rucksack, on a hillside outside the old walled city of Dubrovnik, where Serb shelling has set woodlands ablaze. Photograph: Chris Heiger/Reuters

## IN BRIEF

## Speaker stands in as president

São Tomé - Leaders of a coup in São Tomé and Príncipe named the West African island nation's parliamentary speaker as interim president, after having failed to set up a wide-ranging government of national salvation. The coup leaders, speaking two days after their bloodless coup, said Francisco Fortunato Fines would be charged with "re-establishing legality", a statement which presaged a probable return of the deposed president, Miguel Trovada. The appointment of Fines appeared to be a face-saving device, avoiding the coup leaders having to hand back power directly to Trovada, observers said. **AFP**

## Felix weakens

Manteo, North Carolina - Hurricane warnings were dropped along the North Carolina and Virginia coast as a weakening Hurricane Felix dawdled at sea for a second day. As many as 200,000 people fled coastal communities on Tuesday, filling motels for hundreds of miles inland. **AP**

## Embargo lifted

New York - The UN Security Council unanimously approved a one-year suspension of the arms embargo on Rwanda, in response to a plea from the new Hutu-led government. The ban was imposed in May 1994 against the previous government led by the rival Hutu ethnic group. The new government made the request for fear of a new offensive by Hutu militias based in refugee camps in neighbouring countries. **AFP**

## Key appointment

Wellington - A New Zealand Appeal Court judge, Michael Hardie Boys, was named as the country's next governor-general. He will take office next March and could prove a key figure in negotiations to form a government after the first elections under the proportional representation system. **Reuters**

## Barracks blasted

Madrid - A huge bomb attributed to the Basque separatist organisation Eta exploded early yesterday at a Civil Guard barracks in Arnedo, injuring 40 people, writes Elizabeth Nash. The barracks building is in the north-eastern province of La Rioja.

## Two-death plunge

Bangkok - A Danish woman was killed while sunbathing when a man who jumped from a high-rise building in an apparent suicide landed on her. Kirsten Mogensen, 19, was killed instantly, together with the man who jumped, a worker who was repairing curtains on the 19th floor. **AP**

## Editor ordered bugs

Jerusalem - A court charged the editor of Israel's second largest tabloid newspaper of wiretapping, bribery, and paying a witness to keep silent, the Justice Ministry said. The indictment, issued after a year-long investigation, alleges that the editor of *Maariv*, Ofer Nimrod, ordered the telephone of his colleagues and those of rival newspaper editors tapped, and bribed a telephone company employee to arrange the bugging. **Reuters**

# US plan asks Serbs to give up east Slavonia

SARAH HELM  
Zagreb

The new US peace plan for former Yugoslavia calls on Serbia to withdraw its forces from eastern Slavonia, the last chunk of Croatian territory still held by Serbian forces, following the recapture of Krajina.

The withdrawal from eastern Slavonia is one of the key concessions sought by the US from Belgrade in return for the lifting of sanctions, according to

US diplomatic sources in Zagreb. The proposal was one of a package of measures put by US mediators yesterday to Slobodan Milosevic, the Serbian president, in Belgrade.

The plan also calls for a right of return for the Serbian refugees who fled the Croatian army conquest of Krajina and protection of their property. UN sources scoffed at this element

of the plan yesterday, reporting new evidence that Croats had set whole Serbian villages alight in south of the region, burning crops and looting.

Belgrade has been promised that Croatia would accept a wide degree of autonomy for Serb-populated areas and full monitoring of human rights. For two years after the Serb withdrawal, the area would be placed under UN administration after which it would be fully integrated into Croatian

territory and Serbia would recognise Croatian sovereignty.

But only days after the launch of the latest peace effort, doubts are growing about the plan's viability. The Bosnian government is reported to be divided, fearing that it will be left with a fig-leaf state, lodged between Croatia and Serbia. European Union diplomats say that the "window of opportunity" for the peace initiative, created by the shift in the strategic balance, will last "only weeks".

In outline, the US package deal is described as "all for all" - the lifting of all sanctions in return for peace and the recognition by Serbia of Croatia and Bosnia.

The carve-up of Bosnia would apportion 49 per cent to the Bosnian Serbs and 51 per cent to the Muslim-Croat federation, as envisaged under previous plans, with the Serb area federated to Serbia proper and the Muslim-Croat federation linked to Croatia.

One of the more extraordinary elements of the plan is the US idea that the final borders should be policed by UN forces from Muslim countries, particularly Egypt, Pakistan and Bangladesh. The US appears to envisage a time when the Europeans have washed their hands entirely of peace-keeping in the area and withdrawn.

"These Muslim countries have soldiers that don't mind being shot at if there are Nato air strikes," a US source said.

Despite American denials that Washington is pressing for the surrender of Gorazde, EU diplomats in Zagreb believe that the Muslims may yet be forced to make the concession, in return for gaining more land around Sarajevo.

The Bosnian Serbs may be granted a wider corridor of land in the north of Bosnia to link the lands it holds in the east and west, while giving up territory abutting the Muslim-Croat federation.



# Karadzic tells troops to fight to the last

CHRISTOPHER BELLAMY  
Defence Correspondent

The Bosnian Serb leader, Radovan Karadzic, yesterday called on his military commander in the encircled town of Drvar, western Bosnia, to defend it "at all costs", as the Serbs reeled under the double blow of Croat attacks in western Bosnia and the threat of an offensive north from the city of Dubrovnik.

The movement of at least 4,000 Croatian troops into the Dubrovnik area, to push the Bosnian Serbs out of artillery range of the historic Croatian

city, and the Bosnian Croat push towards Drvar are connected politically rather than strategically, military sources and western diplomats believe.

There appears to be no unifying strategic plan, although both capitalise on the confusion and loss of morale among the Bosnian Serbs following the unexpectedly swift Croatian recapture of the Krajina region.

Croatian forces were yesterday in position for an attack northwards from Dubrovnik, to drive Bosnian Serbs out of

artillery range of the "Pearl of the Adriatic", although there were unconfirmed indications that the Serbs had begun to withdraw anyway. If a big attack takes place, it may go down in history as one of the few campaigns in the history of war motivated by a desire to reinvigorate the tourist industry.

The town of Trebinje, just inland and under Bosnian Serb control, is understood to have been included in the US peace plan as one of the areas to be handed to the Bosnian Croats in exchange for Bosnian Serb

rights of access to the Adriatic. It also houses an important power station, which would feed Dubrovnik, and lies on the junction of roads leading north into Bosnia.

Most of the Serb artillery that is threatening Dubrovnik is based in the Trebinje area. The Croatian Puma brigade was reported to be in the Dubrovnik area and there were also unconfirmed reports that the 1st Guards Tiger brigade was in Split.

On Tuesday sources counted 66 Croatian army vehicles heading for Dubrovnik past the Dalma warehouse, south-east of

Split, and 43 coaches south of Makarska, which are able to transport up to 2,400 troops. UN sources said that the coaches had been carrying part of the Puma Brigade, and that 1,500 troops of the 4th Brigade, which is based in Split, had also moved to Dubrovnik.

The Bosnian Serbs north of Dubrovnik have guns with a range of more than 2km (12 miles), so the Croatian army will need to push them back from their present positions about 12km from Dubrovnik, north of Trebinje and the valley called Popovo Polje, probably seizing the next range of hills.

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tokens, one of which must come from the Independent on Sunday, you may order any one title for the £1.50 cost of postage and packing. For every differently numbered token over and above these initial four that you collect you may order an additional title. Each book requires a payment of £1.50 for postage and packing. Today we are printing Token 6. Each day this week in the Independent we will print another token and a final token will appear in the Independent on Sunday, 20 August plus a final copy of the order form. Please remember that, no matter how many titles you order, your tokens must include one from the Independent on Sunday.

In the Place of Fallen Leaves  
by Tim Pears

"Long in abeyance, the English rural novel flourishes again in Tim Pears' story of a 13-year-old Devon farmboy's confrontation with sex, death and the weather... an unusually well-made novel which, through being less English than one would expect, produces a very English kind of magic". **Giles Foden**

A highly acclaimed novella debut set in rural Devon in the long, hot summer of 1984 praised for its masterful evocation of rural life. Alison and Jonathan are two young people passing through the cusp of childhood and adolescence with the weight of their families' pasts upon them. Time, like the landscape, becomes crooked and the pair are caught up in an otherworld, intensified by the summer heat, of memory, past and present, from which they can only be released by the autumn rains. Tim Pears graduated from the Direction Course of the National Film and Television School and there is a filmmaker's eye to all this, something which gives it a nice contemporary bite and stops it drifting into Hardy-esque.

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Out of the Shadows by Tita Sutherland

"Not many writers portray the opposite sex as sensitively as their own: not many middle-aged writers write about the young with insight and understanding. Sutherland scores full marks on both counts". **David Robson, the Sunday Telegraph**

Tita Sutherland, who started writing at the age of 61, has been hailed as the new Mary Wesley. Her novels in English and very middle class, but there is nothing narrower about her emotional range. *Out of the Shadows* includes elements of the ghost story and of detective fiction, but its characters are fully rounded people. Rachel, the heroine, is a fifty-something widow living alone in a large London house. Sensing a strange "presence", she begins researching into the tragic wartime past of its previous residents, unearthing some uncanny parallels with her own life. At the same time, she embarks on an affair with her seductive but uneasy lodger, with startling results. A novel that triumphantly succeeds in being both spine-chilling and psychologically realistic.

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- \_\_\_ TRYING TO SAVE PIGGY SNEED - John Irving
- \_\_\_ SAILOR SONG - Ken Kesey
- \_\_\_ TALES OF THE CITY - Armistead Maupin
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- \_\_\_ SLOWLY LESS AND ALL - Tom Robbins
- \_\_\_ OUT OF THE SHADOWS - Tita Sutherland
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Six-Day War atrocities: Veteran's account of captives in Egyptian uniforms being shot the desert adds fuel to scandal

# Israelis admit war crimes



Haunted past: An Israeli guards Egyptian prisoners at El Arish in 1967, the base where the executions are alleged to have taken place Photograph: AP

ERIC SILVER  
Jerusalem

Gabriel Brun, a Jerusalem journalist who served as a signals sergeant-major in the 1967 Six-Day War, described yesterday how he saw fellow Israeli soldiers shoot dead five prisoners of war in Egyptian uniforms.

His story added fuel to an escalating scandal sparked by a retired brigadier-general, who confessed to executing 49 Egyptian prisoners during the 1956 Suez war. Egypt, with whom Israel signed a peace treaty in 1979, has demanded a full account. The Israeli Prime Minister, Yitzhak Rabin, who was chief of staff during the 1967 war, has ordered an investigation.

"What I saw happened on the morning of 7 June, the third day of the war," Mr Brun, who was then 24, told the Independent. "I was at El Arish airfield in the Sinai desert, attached to the headquarters of an armoured division. I saw 120-150 Egyptian soldiers sitting with their hands tied behind their backs in a makeshift hangar made of sandbags. About 20 yards away I saw a trestle table with two men sitting behind it, their faces masked with khaki handkerchiefs. Individual prisoners were pushed out of the group, brought before this table and apparently interrogated. Some were sent back.

"I was about 30 or 40 yards away, so I couldn't hear what was said. I saw one man questioned, then marched about 200 yards into the desert by two military policemen. "He was given a shovel and started to dig. After about 15 minutes, I saw the shovel thrown out. Then each of the two soldiers fired a round into the hole. Another guy was brought and shot, falling into the same hole. A third prisoner was brought to cover up the grave, then was marched back. "I saw five prisoners killed in this way. Earlier I had heard 10 similar shots. I interpreted those

to mean that another five were executed."

Mr Brun said an officer explained to him afterwards that the victims were Palestinian "terrorists", who were wanted for murdering Israelis and had tried to get away by merging with the fleeing Egyptians. The

**'A prisoner was given a shovel and started to dig. Then he was fired at'**

interrogators were officers in army intelligence.

Arye Biro, 69, the retired brigadier who admitted killing 49 Egyptian POWs in the 1956 war, told reporters on Wednesday he was not proud of what he did, but did not feel like a war criminal. "I have ached over

what I did," he said, "but under the same circumstances I think I would do it again."

Mr Biro commanded a paratroop company which dropped in the Mita Pass, one of the two main routes from central Sinai to the Suez Canal.

"We were hundreds of kilometres behind enemy lines," he said. "Egyptian planes were flying over us unhindered. Egyptian troops were pouring into the area, and the prisoners were shouting, 'Just you wait, the Egyptian army will slaughter you'."

The paratroops were ordered to head south. According to Mr Biro, they had no transport for the prisoners and feared they would reveal the Israeli position. So he and a lieutenant ordered the prisoners to lie face down, then shot them.

"They didn't cry out," Mr Biro said dispassionately. "It was all over in a couple of minutes."

The paratroops' brigade commander was General Ariel Sharon, now an opposition

Likud MP. He was not in the Mita pass at the time of the executions. But the battalion commander, Rafael Eitan, was Mr Eitan, who rose to chief of staff, is now a hard-right candidate for prime minister. Asked if Mr Eitan ordered the killings, Mr Biro replied: "Ask him."

According to Meir Pa'il, a military historian and retired colonel, Moshe Dayan, who was chief of staff in 1967, reprimanded Mr Eitan for the killings during a meeting with battalion commanders.

Michael Bar-Zohar, an author and former Labour MP who handled Dayan's public relations after the 1967 war, said: "In every one of our wars, Israeli soldiers have killed POWs. The high command did not want it, but it was tolerated up to a point. I know of only one case - in the 1982 Lebanon War - where an officer was court-martialled for killing a prisoner."

## Bermuda votes to stay British

PHIL DAVISON  
Hamilton, Bermuda

The islanders of Bermuda overwhelmingly rejected independence from Britain, by a margin of three to one, in the hurricane-delayed referendum on Wednesday.

The Premier, Sir John Swan, who had pushed independence for Britain's oldest colony, said he would fulfil his promise to resign as soon as his ruling United Bermuda Party (UBP) chose a successor, expected within days. He has been in power for almost 14 years.

Jim Woolridge, best-known here as the island's leading cricket commentator, led the UBPs anti-independence faction and is favourite for the premiership.

The size of the margin surprised even the anti-independence camp yesterday. It brought sighs of relief from local and foreign businessmen.

The vote had threatened to turn into a racial issue. The minority white population was firm in its determination to remain British but there were fears that the majority blacks, mostly middle-class, might have expressed what had been perceived as a growing sense of black nationalism. In the end, fear of change, of giving up the comfortable lifestyle, appeared to rule the day.

The abstention rate was unusually high, reflecting both a call from the opposition Progressive Labour Party (PLP) and the fact that many Bermudians saw the referendum more as a political power-play than apart, perhaps, from the most diehard pro-British white Bermudians - who make up 30 per cent of the population - most islanders agree independence is inevitable.

The referendum confused many - one columnist described

it as the referendum-umm-umm - because it was called by Sir John after his last re-election two years ago despite the fact he had never mentioned the word independence in his campaign. His move split the UBPs and redrew traditional party lines.

In a famous speech only a few years ago, Sir John had said: "With the Americans to feed us and the British to defend us, why on earth would we want to be independent?"

The PLP had always pushed for independence but found itself forced to back off to avoid supporting the Premier.

Instead, the PLP fudged its stand, saying constitutional changes must first be made and that the issue should be decided in general elections.

Of the island's 37,841 eligible voters, 22,236 - 58 per cent - turned out. Only 5,714 people voted "Yes" to independence while 16,369 rejected it.

While that margin was 25 per cent to 75 per cent of votes cast, a more significant figure was the fact that the "Yes" vote was only 15 per cent of eligible voters. Under the referendum law, a minimum 40 per cent of eligible voters, or about 15,000, would have had to vote "Yes" to set independence in motion.

Breaking away from Britain would mean taking control of defence, foreign affairs and internal security, at present controlled by the governor, Lord Wadsworth.

He echoed a statement by the Queen that Britain would have respected an independence vote but also respected a majority desire to remain a dependent territory.

"It's obvious the matter has been defeated," Sir John said yesterday after the results were announced outside the Wesley Methodist Church hall in Hamilton, where counting had taken place.

## Kashmir rescue plan rumoured

TIM MCGIRK  
Srinagar

Speculation that an attempt may be made to rescue four Western hostages in Kashmir, including two Britons, rose yesterday with reports that one of India's top security advisers had arrived here with a commando unit.

Indian authorities dismissed the possibility of a last-minute rescue mission to save the four kidnapped tourists, who are under threat of death by Kashmiri rebels. Scotland Yard hostage negotiators have flown to India to advise the British High Commission.

General Krishna Rao, governor of Kashmir state, where the Westerners were seized by the Muslim extremists six weeks ago while on a holiday trek in the Himalayas, said yesterday that a rescue attempt by the army was unlikely to succeed. "Out there in the blue, in the high Himalayas, unless we're certain we can return these people without harm, it's not advisable to carry out an operation."

Police sources told the Independent that the Indians had re-

ceived reliable intelligence on where the rebels were holding the tourists at least four times but chose not to risk a commando raid on their mountain camp. The Al-Faraj kidnappers, are reportedly moving the hostages through the icy ranges of Kashmir.

The governor disclosed that officials are in contact with the rebels at least once a day through a go-between in Srinagar. "We are in touch with him by radio and telephone. We don't know if he's a militant or a local representative."

The rebels, who beheaded a Norwegian tourist, are threatening to kill the others unless India frees 15 jailed separatist leaders. Indian authorities yesterday set free 24 Kashmiri militants, but none were those named by Al-Faraj.

Nearly all the Kashmiri secessionist groups fighting India have condemned Al-Faraj's killing of the Norwegian and are demanding that the two Britons - Keith Mangon, 33, from Bocking and Paul Wells, 23, from Nottingham - along with an American and a German, be freed unconditionally.

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# Frank Cvitanovich

**Cvitanovich aboard HMS Belfast during filming of *The Hunting of Force 2*** Photograph: Thames TV



### Morris: excited about education

**Tam Dalvell**

**Oveta Culp Hobby**, politician, died 16 August, aged 90. Appointed in 1953 as the first US Secretary of Health, Education and Welfare. Listed in 1994 by *Forbes* magazine as the 287th wealthiest person in the United States, with a family fortune estimated at over \$400m.

**Oveta Culp Hobby**, politician, died 16 August, aged 90. Appointed in 1953 as the first US Secretary of Health, Education and Welfare. Listed in 1994 by *Forbes* magazine as the 287th wealthiest person in the United States, with a family fortune estimated at over \$400m.

**De Lijn**

هكذا من الرحمن



# The gurus we worship in the workplace

These thinkers influence how your desk is organised – or whether you have a job at all. **Roger Trapp** examines the power of the management theorists



**Charles Handy**

Age: 63  
Background: British businessman who worked for Shell Malaysia and as a City economist before moving to a professorship at the London Business School.  
Books: Ten books published. *The Age of Unreason* (1990) was his tour de force.  
Big ideas: Well known for theories on the future of work, he is credited with the idea that "long careers are a thing of the past, and that future workers will need a 'portfolio' of special skills rather than traditional career qualifications."  
Heyday: ongoing

Source: *Guide to the Management Gurus*, Carol Kennedy



**Henry Mintzberg**

Age: 56  
Background: Canadian academic. Engineering graduate who later studied at Massachusetts Institute of Technology and is now Professor of Management at McGill University, Montreal.  
Books: Ten books published. *The Nature of Managerial Work* (1973) made his reputation, and remains his best known book.  
Big ideas: Responsible for the concept of "Right Brain Management" – managing by instinct rather than by analytical skills. Also great proponent of strategic management and planning.  
Heyday: Seventies/eighties



**Michael Hammer**

Age: 47  
Background: American former professor of computer science, currently a management lecturer on the international circuit.  
Books: Seven books published, of which *Re-engineering the Corporation* (1993) is the most influential.  
Big ideas: Chiefly known for the concept of "re-engineering" companies – radically redesigning the way people work and streamlining organisations to prepare them for the future.  
Heyday: Ongoing



**Peter Senge**

Age: 48  
Background: American business academic, currently director of the organisational learning programme at the Massachusetts Institute of Technology.  
Books: Two books published. Best-known for *The Fifth Discipline* (1990).  
Big ideas: Currently fashionable on the lecture circuit are Senge's ideas about the need for "learning organisations" – businesses that think differently about traditional problems, and develop accordingly.  
Heyday: Ongoing

The reviews of Charles Handy's latest book on "the changing worlds of organisations" have hardly been ecstatic. But that is unlikely to stop *Beyond Certainty* (published this week by Hutchinson, £12.99) becoming a best-seller. The reason is simple: Professor Handy is a management guru and, to many, he and his cohorts are a new priesthood. Their books vie for space in airport bookshelves with the novels of Jeffrey Archer and Robert Ludlum, they are often media stars – with a select group earning several thousand dollars every time they stand up – and they attract loyal followings.

They are biggest in the United States, where the national psyche is more geared to self-improvement. But they are increasingly popular on this side of the Atlantic. Industrialists as varied as Sir Peter Parker and Sir John Egan praise their contribution. The phenomenon of the guru has, according to Carol Kennedy, author of *Guide to the Management Gurus*, been expanding since the end of the Second World War. Just as sociology was the intellectual preoccupation of the 1960s, management theory sums up the spirit of the business-led 1980s – and continues in the 1990s as the corporate world seeks ways to escape from recession. The past 15 years have seen an explosion of interest in management and the growth of a powerful industry that takes in business schools, publishers and management consultants.

For instance, business schools, once the preserve of the United States, are springing up everywhere, so that there are now nearly 100 in Britain; business books account for sales of about £25m in Britain and about 20 times that in the United States; and the leading British practitioners of consultancy, which barely existed as a profession a quarter of a century ago – achieved total revenue of more than £1bn last year. All the parts of this industry feed off each other, so that book publishers, for instance, are inclined to hype up every author with any sort of idea into "the next big thing". Meanwhile, consultants desperately analyse these thoughts to peddle new services to their clients. Significantly, they also stand to gain hugely from the vogue for "downsizing" or "right-sizing", since such job-cutting manoeuvres almost inevitably leave companies without the capacity to do for themselves the implementation that needs to supplement the gurus' thoughts.

The lines between gurus, business schools and consultants are in any case increasingly blurred. Competitive strategy specialist Michael Porter, for instance, is a director of the Boston-based consultancy Monitor, while Kenichi Ohmae, a leading thinker on global strategy, heads the Tokyo operation of McKinsey. And, as Leo Murray, head of the Cranfield School of Management, says, "the schools are increasingly sitting down with companies in order to provide specific guidance. Professor Murray

believes that this will lead to two forms of guru emerging: the esteemed long-term thinker and the less celebrated doer.

This growing sophistication also indicates a movement away from a reliance on vague concepts with little basis in reality. "Benchmarking" (comparing the way you do things with companies in other sectors as well as competitors), "total quality management" (concentrating on improving service at all levels of the business) and the like may leave many of us baffled, but other concepts – such as "diversification" and "sticking to the knitting" – have entered everyday business parlance.

If you are curious about whether your organisation has succumbed, look no further than your desk arrangement or who has authority to make a decision. Whether you are spread out or clustered in groups, whether responsibility is retained at the top or devolved, is more likely to be attributable to the influence of a management theory than chance.

Some concepts – especially when, like benchmarking or business process re-engineering (radically re-

designing the way we do our work), they are rooted in common sense – are powerful. But the problem is that very few of them can be implemented piecemeal, so the tendency is to chop and change between them – leading to what is known in North America as the Bolinas, or "Bend over, here it comes again", syndrome.

In spite of these drawbacks, interest is growing. Business people are being convinced that they live in an ever changing and increasingly complex world, and so need instant solutions to cope with it. The vogue for "empowerment" and other concepts is making managers of us all. As a result, management cannot be left to the executives. Everybody needs to be at least familiar with the buzzwords.

Equally, though, this widening of familiarity can breed a scepticism when the gurus are not felt to have provided all the answers. Handy's latest book is getting the thumbs down largely because it offers no fresh insights about "portfolio working", "shamrock organisations" and the other concepts that so inspired readers of his previous works – *The Age of Unreason* and *The Empty Raincoat*. Similarly, Michael Hammer, the former computer professor at MIT who introduced the world to business process re-engineering, has seen his stock fall as companies have failed to achieve marked benefits.



**Kenichi Ohmae**

Age: 52  
Background: Japanese nuclear physicist – turned – management consultant who heads McKinsey's Tokyo office.  
Books: Five books published. *The Borderless World* (1990) is the best known.  
Big ideas: Believes that all large companies must establish themselves in the three main world trading blocs – Europe, the USA and the Pacific Rim – or they will lose out. Claims the weaknesses of western companies compared to Japanese ones is their lack of long-term planning.  
Heyday: early nineties to present



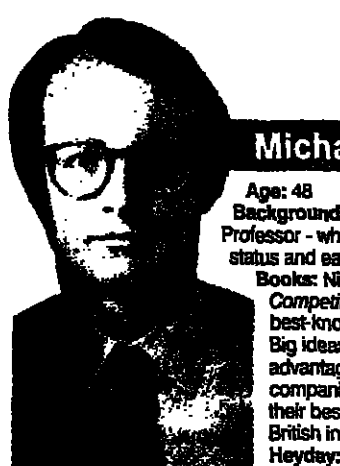
**Richard Pascale**

Age: 57  
Background: Leading American management consultant and Stanford University professor.  
Books: Two books published. Best known for *Managing On The Edge* (1990).  
Big ideas: The "Seven S" criteria of measuring a company's performance: strategy, structure, systems, style, shared values, skills and staff. Recently developed the theory of "creative conflict" – a company must continually change, or it will fail.  
Heyday: Early 90s, when *Managing On The Edge* was published, and does consultancy work.



**Tom Peters**

Age: 53  
Background: American former Pentagon employee and management consultant. Currently one of the most sought-after management lecturers in the world.  
Books: Six books published. *In Search Of Excellence*, published in 1982, is the world's top-selling business book, with over 5 million copies sold worldwide.  
Big ideas: Big companies will in future be superseded by "soft" organisations with non-hierarchical structures and flexible staff, able to adapt swiftly to a shifting business environment – the "virtual corporation".  
Heyday: A star in the ascendant since 1987, when *Thriving On Chaos* was published.



**Michael Porter**

Age: 48  
Background: American academic – currently a Harvard Professor – who rivals only Tom Peters in international status and earning power on the management circuit.  
Books: Nine books published, of which *The Competitive Advantage Of Nations* (1990) is the best-known.  
Big ideas: Advocates theory of competitive advantage at national and international level – that companies and countries alike should focus on their best points and develop them. Heavy critic of British industrial training.  
Heyday: A rising star since the early nineties.

## Diary

PAUL VALLELY

Disturbing developments at Yorkshire Television, one of the bastions of high-quality investigative documentaries, and now merged with Tyne Tees. The recently appointed group managing director is Bruce Gynge. Remember him? He was the pink-shirted boss of TV-am who, when it lost its breakfast-time franchise, received a handwritten note from Mrs Thatcher saying: "This was supposed to happen." Now, Yorkshire's director of programmes, Grant McKee, has resigned, telling staff of "honest differences" between him and McKee. Indeed, McKee, who is the chief reason that the Guildford Four are free today, has been at Yorkshire for 16 years and was the guardian of the free today, has been at Yorkshire for 16 years and was the guardian of the free today, has been at Yorkshire for 16 years and was the guardian of the free today.

The final straw for McKee came, apparently, when he returned from holiday to find that, in his absence, Gynge had sacked the station's most celebrated producer/director, Peter Kosminsky, responsible for some of the station's most lauded documentaries and docu-dramas, including *Shoot to Kill*, *The Falklands War: the untold story*, the first interviews with Soviet veterans in Afghanistan and so on. So keen was Gynge to get rid of the man that he told Kosminsky to clear his desk immediately and take a £300,000 commission for a docu-drama on child prostitution with him.

The whole affair will be the talk of the Edinburgh Television Festival next week, when, doubtless, some will be asking whether the ITC shouldn't take a hard look at YTT. Meanwhile, Gynge is taking on an awful lot of extra roles. He was even seen recently leading through a copy of the actors' audition book *Spotlight*, looking for a suitable face to front one of his new improved documentaries. Trouble is, I'm not sure that Roland Rat is in it.



Gynge's ratty mate

First it revealed that in their long history the Japanese have gone in for apologies often, but apology rarely. But then the computer packed up. Perhaps the idea of Japanese apologies was more than it could cope with. But I suspect their machine was too slow. As I have a far better one at home I have offered to road-test the CD more fully there, with the aim of filling my articles henceforth with delectably oblique snippets of scholarship. Watch this space.

Up on the moors for the Ingolour Twelfth. Not an anti-shooting quip that, merely a reflection of the paucity of targets, had there been any guns around. I saw only one, decidedly scrawny, red grouse limping along the roadside on Black Hambleton on the North Yorkshire



Vicious cycles

Moors. A plague of ticks has put paid to many of its fellows. Still, it was a fine day, with the sky a chalky blue and the vast stretches of heather just tinged with purple. It was good to get so close to large numbers of young pheasants – as yet short-stailed but in vivid virgin plumage – still tame from their recent release from the rearing pens. They sauntered cockily by the roadside verges and about the moorland paths as if they knew it will be some months yet before the guns bear down on them. No sauntering, however, by the dreaded mountain-bikers, who have begun to infest the hillsides with their

thundering broad wheels and gaudy Lycra vests. Out walking, we were stopped by a survey team from the National Park to quiz us about our views on this pestilence. Unfortunately, they picked on my aunt – a doughty 78-year-old who can outwalk us all – who replied with the moderation of her years. Had they asked me, they would have carried off suggestions about genetically restructuring the grouse-tick to attack Lycra wearers. Or that the swooping bikers provided a fairer target for gun-toting toffs than do the lumbering grouse.

Signal failure: The Docklands Light Railway, on which we backs scuttled into Canary Wharf, got stuck, yet again, in the sweltering heat the other day. The conductor apologised, explaining that the problem was "frozen points". Surely he meant the "wrong kind of sunshine".

The 150th anniversary of Britain's first municipal graveyard may have escaped your notice. There were black horses with black plumes to mark the occasion last weekend at Beckett Street Cemetery, opposite Jimmy's hospital in Leeds. Guides were on hand to reveal that the 8ft wall was erected, by order of the Bishop of Ripon, to deter body-snatchers, and to reveal that its first chaplain was the teetotal dissenter and founder of the Band of Hope, the Rev Jabez Tunncliffe. But the real delight was to discover how grieving relatives secured revenge in the old days: viz the tombstone of Fred, aged 12, who was "killed instantly by an airliner owned by Sir Richard Cobham and piloted by Sir Li Johnson". A bottle of Bollinger for the reader who comes up with the most droll 1995 inscription for tombstone revenge.

Last week's bottle was won by Ms Paddy Kitchen of Barnwell, who suggested that the £10m that has been given to my National Lottery Equilibrium Fund should be distributed equally between the 350 inhabitants of her village (£28,570 each), to relieve Ron and Pat, who run the sub-post office, of the need to taint their till with ticket money.

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## No golden age of A-levels

Once again Britain's 18-year-olds have produced a record result. Once again a higher proportion than ever before have passed their A-levels and achieved top grades. And once again the cry has gone up that standards must be falling.

This is both difficult and dangerous territory. Of course standards matter. Anyone who has ever watched A-level examinations at work would know just how seriously, year on year, they take them. But the evidence that standards are falling is thin. And the idea that we can suddenly go back and compare A-level standards with those of some ancient golden age in the Fifties or Sixties is a myth. Not least there is the motivation of those who believe that the only explanation for more and better passes is that exams are getting easier.

Of course more 18-year-olds are passing A-levels. Back in the Fifties, A-levels were the exam of the elite. Just 3 per cent took them. Today 40 per cent do. They are a mass exam offering entry to a welcome and increasingly mass system of higher education. Even so, 17 per cent fail and another 13 per cent drop out of the A-level course.

And the world has changed in other ways. Even if the scripts existed, it would be impossible to go back and compare today's A-levels with those of the Sixties. In those days, Venn diagrams were part of additional maths at O-level. These days, six- and seven-year-olds learn them in primary school. In the early Sixties, the way in which DNA works was just creeping on to the A-level syllabus. Now it is one of the early parts of the A-level course.

In the Fifties, it is true that no one took A-levels in business studies. But

the A-levels of the Fifties were equipping an elite for highly academic courses in a tiny university sector in a country where most jobs were still blue-collar. Today we hope to be equipping a nation to compete in a white-collar world of business, services and industry where computers control the lathes and where the skills of how to look up knowledge and apply it are at least as important as the skills of memory and recall. Of course examinations have changed.

The argument that more children cannot possibly be doing better reflects exactly the same elitist view of human nature which believed in the Fifties that there was only a certain fixed "pool" of intelligence. It was that view which maintained that only 20 per cent of children could be bright enough to go to grammar school because there were in fact only 20 per cent of places available in grammar schools. And it is the same view which led Kingsley Amis to pronounce of university expansion that "more will mean worse" - shortly before the Robbins report demonstrated that the so-called "pool" of intelligence was in fact a great lake.

A-levels should not be a competition that a set number have to fail but a set of standards - which will inevitably evolve upwards in terms of knowledge and content over time - that we want people to achieve.

Which is not an argument for complacency. Rigour is required, year on year, to ensure standards do not fall as the content and subject matter of A-levels evolve. But schools and their examinations should be windows to the future, not fogged mirrors reflecting a golden age that never was.

## Inflation fears unfounded

When Kenneth Clarke made his controversial decision in May to resist Eddie George's call for an increase in interest rates, many thought he had put political considerations before the long-term health of the economy. Yesterday's inflation figures, and signs of a faltering recovery suggest that - whatever his motives - the Chancellor made the right decision.

The headline rate of inflation which had been expected to rise sharply remained unchanged in July at 3.5 per cent. Heavy discounting in the shops indicates that retailers are taking much of the inflationary pressure from manufacturers on the chin rather than trying to pass it on to consumers by jacking up prices.

Another favourable sign is the extremely muted picture of wage inflation that emerged earlier this week. The annual rate of earnings is rising at only 3.5 per cent, a far cry from the familiar story in which earnings outpace retail price inflation.

Any Chancellor has to balance inflation targets with the health of the economy. In May the economy appeared to be bounding along, and there was concern about a build-up of inflationary pressures. At that time calls for higher interest rates appeared justified - but things have changed.

Growth in the economy has visibly

slowed over the summer. Unemployment rose by 1,700 in July - the first increase in two years - suggesting that the economy is too weak to take a rise in interest rates. The housing market is flat. Even the upturn in retail sales has turned out to be largely an effect of retailers' desperation to shift stock at any price.

While the Bank warned earlier this month that interest rates should rise, Mr George has already notably toned down the urgency of his call for higher rates. What seems indisputable is that the balance of risks has changed. An increase in interest rates now could tip the economy over a cliff. That risk is much greater now than the danger of an inflationary relapse. So Mr Clarke has good economic grounds to persist in his stance on interest rates.

It is vital, however, that he refuses to yield to the demands of Conservative backbenchers worried about their seats for big tax cuts in his November budget. With the latest figures suggesting that the PSBR will overshoot the target for the financial year 1995-6 by as much as £5bn, there is no leeway for politically motivated tax cuts. Any room for economic manoeuvre should be used to cut interest rates rather than taxes, which would benefit the housing market and boost investment which has continued to disappoint.

ANOTHER VIEW Sir Rhodes Boyson

### Can A-levels really be better?

We were told again this week that A-level standards have risen. Has the educational establishment pulled off its annual conjuring trick? Far more children of lower abilities are taking these exams, but we are expected to believe that they are more likely to succeed than when only an elite group of the most academic students took A-levels. What I, employers and the Chief Inspector of Schools want to know is can these claims be believed? Or are the rising standards simply an illusion?

In the old days, when we had the higher school certificate, the Northern Matriculation Board kept its old examination scripts. Every five, 10 or 20 years they were sent out to the markers, so that there could be a general comparison. That way there was no doubt that standards of marking were constant. But now we are told that there are no old scripts available for comparisons. The evidence has been destroyed that could have told us what we need to know - whether an A-level certificate is still a meaningful qualification.

I would also question the new modular examinations that seem to be growing in popularity. These involve taking a six-week course in the middle of your A-levels, then taking an exam at the end of this. If you pass, then it counts towards your A-level - and if you fail, you just take the module again. How does this live up to the old ideal, by which you studied for two years, mastered and remembered a body of knowledge and recalled it in the all-important exams? Modules are a useless way of test-

ing a pupil's ability to retain and understand facts, and this is reflected in the sort of subjects for which they are used - media studies, photography, psychology, sports studies and the like. By all means teach these subjects and issue qualifications - but don't call them A-levels.

It is important to challenge the orthodoxy of the education world and this is a prime example. Much evidence from employers suggests that schools still produce many poorly educated employees with certificates they cannot trust. It is unfair to the children themselves, who are having to work harder to get into a real university, now that our higher education system has been messed up to create hundreds of institutions with widely different standards.

I would suggest a thorough assessment of our A-level standards, and a proper comparison with the equivalent exams done by 18-year-olds elsewhere in the world. Let's see what German teenagers have to master in foreign languages or maths - will our A-levels stand the comparison?

I don't mean to detract from the achievements of pupils who have done well this year, but it is in their own interests that we ascertain whether the grades they are proud of are truly the achievements they should be.

The Conservative government has made the national curriculum workable. It must bring the same reality to higher education.

The writer is Conservative MP for Brent North.



Spoiled picnic

## LETTERS TO THE EDITOR

### Using lottery money to subsidise ticket prices

From Mr David Sowers

Sir: It is naive to imagine that increasing the revenue support to the performing arts would lead to any substantial and sustained reduction in prices - as the Arts Council appears to hope that it would ("Lottery funds 'to cut prices at theatre'", 14 August).

Experience shows that any extra support that a subsidised company receives is more likely to be spent on increasing the number and quality of productions than used to reduce prices: the management's first priority is to improve its product, not to make it cheaper. Subsidies have a built-in tendency to rise, as the Arts Council should know.

In Germany, where the arts have been subsidised for longer, the average subsidy for the public theatres rose from 27 per cent of income in 1911 to 84 per cent of income in the 1980s. The latter level is the sort of subsidy that British managers envy.

Price does not in any case seem to be a major factor in determining the audience for subsidised performances: a recent survey for the Arts Council found that only 4 per cent of respondents volunteered that price kept them away from such events, and reductions in prices would have a relatively small effect on demand. A 10 per cent reduction in prices might increase the audience by 5 per cent. Most people who attend subsidised performances are well educated and not exactly poor,

they may well consider price less important than quality.

The main result of increasing revenue support for the arts would be to provide more benefits for the existing audience and managers. If the Government wants to make itself more popular, it should accept that the majority wants less spent on the arts. The British Social Attitudes survey in 1994 found that only 10 per cent of respondents wanted more spent on the arts, though 44 per cent wanted this expenditure reduced. The Government would therefore reflect public opinion if it withdrew all lottery funds from the Arts Council, and redirected them to charities.

Yours faithfully,  
David Sowers  
Angmering-on-Sea, West Sussex  
14 August

From Mr Jodi Myers

Sir: David Lister's article (14 August) on the possibility of Lottery funds being used to cut ticket prices raises some important issues for those who attend, or would like to attend, performances.

The notion of public subsidy being used to keep ticket prices within the reach of a broad section of the population is not a new one; most people working in the arts believe that it is its main function. Certainly, without grant-aid, ticket prices for a lot of events would be very much higher. It should be pointed out, however, that for the majority of organisations in receipt of public

funding, ticket prices are nothing like those of the Royal Opera House or the RSC, with an average of around £10 being common, and many being much less.

While greater financial support is urgently needed to ensure that ticket prices do not rise inexorably and theatres remain open, offering exciting programmes at a price well within reach of most, it would not be helpful for a specific ceiling to be set by any grant-giving body. Taking into account local conditions, we charge as much as we can to those people who can afford to pay higher prices, in order that we can make available cheap tickets to those who can't.

Certainly, ticket prices, and the additional costs involved in going to a play, concert or a ballet (such as transport and babysitting) are an important consideration, but experience indicates that it is only one of many.

Much more important are the quality of an event and the opportunity for entertainment (in the widest sense of the word) it offers. All the research on this subject indicates that price is only one of many factors we need to take on board if the audience for the arts is to be significantly widened.

Yours faithfully,  
JOEL MYERS  
Director  
Warwick Arts Centre  
University of Warwick  
Coventry  
14 August

### Japanese veterans' bad dreams

From Mr John Ridpath

Sir: Of the tens of thousands of Japanese war veterans, now in their sixties and seventies, I wonder how many sleep peacefully? Many must have witnessed or participated in massacres of Chinese, torture of prisoners and the endless toll of cold brutalities against the weak. Their society is still demanding almost total denial. Their dreams will hold the truth of their experiences.

Our own ex-servicemen and women deserve all the support we can give them, especially over flashback memories and night terrors. The right kind of psychological interventions can promote coming to terms with their experiences, and then letting them go.

Yours faithfully,  
JOHN RIDPATH  
Creddon, Devon  
16 August

The writer was an Indian Army officer in Burma, 1946-47.

From Mr Chris Devine

Sir: P. Marchese (Letters, 16 August) infers that those British service personnel who suffered in the Second World War have no right to complain, as we too behaved in a questionable manner towards the enemy.

May I, on behalf of Far East veterans, "whinge" to Mr Marchese on the subject of being force marched for days on end through severe jungle under a blazing sun, by brutal Japanese soldiers, while dressed in rags, starving,

suffering from dehydration, malaria, dysentery, rotting open wounds, made to work building a railway in appalling conditions, being beaten senseless with a rifle butt and losing an eye or limb in the process. All this while watching your friends die in agony all around you.

Spread this over three years and then enquire: "Had this happened to Mr Marchese, would he like to whinge about it?"

Yours faithfully,  
CHRIS DEVINE  
Salisbury

From Ms Karin Scarbrook

Sir: It is just as well that the new Japanese owners of the former County Hall (London) agreed to the staging of the 50th anniversary commemorations of VJ Day for the people involved in the Far Eastern campaigns. But I wonder if anyone knew of a final irony.

Ralph Knott, architect of the winning design for the building in 1908, had a stepson, Clifford Longden. An officer in the Royal Army Ordnance Corps, following service in the 17th/21st Lancers, Clifford surrendered in Singapore and was a Japanese POW for three and a half years. As our "Gramps", he told little of the horrors, preferring anecdote for his young audience. He would have appreciated this coincidence, and the incident's judicious outcome, I am sure.

Yours sincerely,  
KARIN SCARBROOK  
Redhill, Surrey

### Conference hastened invasion of Krajina

From Professor Adrian Hastings

Sir: Some 200,000 additional refugees - Serbs from Krajina, Croats and Muslims from Northern Bosnia - have been added in the past fortnight to the million or more ex-Yugoslavia refugees already sheltering somewhere.

We wring our hands and blame Balkan barbarians but no one seems to ask why this happened when it did and whether the international community is not directly to blame for this latest devastating development coming, as it does, immediately after a much-trumpeted conference that Malcolm Rifkind, its chairman, declared a "great success".

The London conference was held in response to the fall and ethnic cleansing of Srebrenica, a town to whose "safety" the UN was committed and to the imminent fall of Zepa to whose fate the Conference quite brazenly closed its eyes.

General Mladic had already threatened to wipe out all the "safe areas" and Bihac was clearly the most vulnerable, already overrun in large part by troops from Krajina. President

Tudjman had already declared that Croatia could not allow the fall of Bihac. Nevertheless, the London conference chose to confine its threats to Gorazde, apparently leaving Bihac to its fate as Zepa had been left.

If, instead, the conference had emphatically declared that Nato would no longer tolerate any troops crossing the internationally recognised border from Krajina into Bihac, and that the thousands of UN soldiers already in Krajina, but doing nothing, would enforce one safe route for convoys into Bihac across the narrow strip of 12 miles of Krajina to its west, then there would most probably have been no Croatian offensive against Krajina at this time. Instead, the very day after the London Conference, Croatia and Bosnia signed a treaty of co-operation including a Croatian contribution to Bosnia's defence "especially in the Bihac area".

It was the murder of Srebrenica, the assault on Bihac and the failure of the London conference to respond effectively to either that made Tudjman's

offensive inevitable and, indeed, right. Mr Rifkind's "great success" seems to lie in having produced 200,000 additional refugees and a huge boost to ethnic cleansing everywhere.

Yours faithfully,  
ADRIAN HASTINGS  
Department of Theology  
and Religious Studies  
University of Leeds  
Leeds  
16 August

From Mr Tim Winter

Sir: The deaths of two British aid workers in Bosnia (report, 16 August) raises urgent questions about the UN Protection Force mandate for Sarajevo. The men were driving at night without lights for fear of attracting the attention of Serb gunmen who routinely attack aid vehicles along the Mount Igman route.

The British and French troops deployed on Igman last month are authorised to defend UN convoys, but are under orders to refrain from protecting other aid vehicles. As a result, charities such as ours run a lethal gamut of Serbian gunfire casually levelled at us without fear of punishment.

The UN mandate on Igman has now resulted in two British deaths. More will certainly follow unless that mandate is changed to permit our troops to defend our aid workers. The UN claims to be in Bosnia to defend the relief effort of which the voluntary organisations are a key part - it must now be asked to put that commitment into practice.

Yours sincerely,  
TIM WINTER  
Chairman  
Bosnia Aid Committee of Oxford  
Oxford  
16 August

From Ms Nikkie du Preez

Sir: Robert Wolder (Letters, 16 August) writes of "the harm done to Britain's moral standing throughout the world by its appeasement of terror". Britain is surely redeemed by the actions of its volunteer aid workers - who risk their lives in Bosnia every day. They at least refuse to stand by and watch.

Yours sincerely,  
NIKKIE DU PREEZ  
Director  
Bosnia Now  
Edinburgh  
16 August

### Powered by British Gas

From Mr F. J. Keane

Sir: I saw a diesel London black cab last week advertising itself as powered by Natural Gas. It occurred to me that if a hard-nosed London cab driver can be persuaded to convert his taxi, British Gas could do worse than to consider combining parts of its transport and advertising budgets and invest in a similar conversion programme for its vehicle fleet. An initiative such as this might just allow it to claim some environmental bonus points and gain some good publicity in the bargain.

And if that works, how about steam- and electrically-powered transport fleets for the water and electricity authorities?

Yours sincerely,  
F. J. KEANE  
London, NW3  
15 August

### Man without a mission

From Mr Roland A. Hill

Sir: To take the letter from The Rev B. A. Hopkinson (14 August) one step further, when I told fellow guests at my son's wedding (in South Carolina) that I had worked in Central Africa for 27 years, the presumption by all the guests present was that I had been a missionary. What else could I possibly have been doing?

I had been at one time a District Commissioner in the Colonial Service. Yours faithfully,  
ROLAND HILL  
Pershore, Worcestershire  
14 August

### A royal awakening

From Mr Des Wood

Sir: Further to K. H. Brend's letter (12 August), there is another explanation regarding George II's rising to his feet during Handel's *Messiah*. This occurred at the start of the Hallelujah Chorus, which is a trifle forte. There is a

school of thought that holds His Majesty had fallen asleep and, upon being awakened by magnificent "Hallelujahs", believed the oratorio had finished and rose to his feet to applaud the greatness of Handel's work. The audience followed suit - after all, he was the King of England - and the tradition continues to this day.

Yours sincerely,  
DES WOOD  
Aldershot, Hampshire

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# comment

## The root of Earth's problem

Today we welcome back Mr Weatherman to answer all your questions about the current heatwave. All yours, Mr Weatherman!

**Is this the hottest summer since...?**  
Mr Weatherman writes: Yes. Since when?

**Mr Weatherman writes: Yes. This is the hottest summer since when.**  
And the driest?

**Mr Weatherman writes: Oh, yes, it's certainly the driest. Since when?**  
Since records began?

**Mr Weatherman writes: Oh, yes, certainly since 1870.**  
What happened in 1870?

**Mr Weatherman writes: Well, in 1870, or just about then, Thomas Alva Edison patented the first records in the United States. There is a claim from the French that their inventor, Charles Cros, got there just before Edison, but his device, although ingenious, would never really have been practicable... What on earth has all this got to do with the weather?**

**Mr Weatherman writes: I'm sorry. It's this blasted heat. It's so hot. I can't even concentrate on what I'm meant to be... I'm sorry. You were saying?**

**Well, it occurred to me that if we aren't having rain here, we must be having it somewhere else. I mean, the water doesn't just disappear, does it? It keeps on falling. So where is it falling? And can we go there and get some? If we are having the driest summer since heaven knows when, somewhere else must be having the wettest summer since records began. Where is it?**

**Mr Weatherman writes: I don't know. I was only hired to answer questions about the British weather scene. I haven't done my homework on anywhere else. Hmm. Well, getting back to our summer, one thing I've noticed is that although the fields are parched brown, the hedges in the countryside are as green as ever. Why is this? Is there more water in hedges or something?**

**Mr Weatherman writes: No. It's because things in fields are always cut short, but things in hedges are left to grow long. Are you saying that tall plants need less water than short ones?**

**Mr Weatherman writes: Well, you would certainly think so to look at the landscape. All the brown stuff is short-cropped grass. All the green stuff is tall hedgerow stuff and trees. But there's a paradox involved here. If you leave a thing to grow tall, then its root system goes deep and it can reach down farther to where the damp earth is. If you cut it short, like a lawn, the roots get the message that they don't have to go deep, so they don't. Do roots really get messages?**

**Mr Weatherman writes: Sure. And grass roots get the strangest messages of all. Think about it: we cut grass once a fortnight. No other plant gets cut anything like that often. A farmer might crop wheat twice a year. We crop grass twice a month. This makes grass paranoid. It doesn't know what is expected of it. Most lawns are, clinically speaking, manic depressive. We feed them and water them, and as soon as they show signs of growing, we cut them savagely! No wonder grass says to itself: "Stuff this for a lark!" That, I believe, is why so much grass has gone brown this summer. It's having a nervous breakdown.**

**Hmm. How long is this hot weather going to go on for?**  
Mr Weatherman writes: For a long time.

**How long?**  
Mr Weatherman writes: A very long time.

**Just how long is that?**  
Mr Weatherman writes: A very, very, very long time.

**Till records end?**  
Mr Weatherman writes: Records have already ended. Have they?

**Mr Weatherman writes: Oh, yes.**



MILES KINGTON

It's all tapes and CDs now. No, come on, answer the question. Do you think this heatwave is just a cyclical thing or is global warming taking over?

**Mr Weatherman writes: I think it's even worse than that. Worse? What could be worse than global warming?**

**Mr Weatherman writes: The end of the world.**

**The end of the world? My God, you're not serious?**

**Mr Weatherman writes: Want to bet?**

**Is this a biblical end of the world? Is God punishing us for all our sins? Is he punishing the Japanese for their war crimes, and taking the rest of us with them?**

**Mr Weatherman writes: No - it seems more likely that James Lovelock's Gaia theory is being fulfilled. If you remember, Lovelock maintained that Earth was a self-healing organism and that if anything went wrong, the planet itself would deal with the trouble. Well, clearly, humanity is what is wrong with Earth. If human beings vanished, Earth could revert to its normal ecological evolution.**

**My God. Are you saying that...?**

**Mr Weatherman writes: Yes. This current outbreak of fiercely hot weather is nothing less than an attempt by Earth to rid itself of the human race. (For a fact sheet on how to avoid the coming immolation, send an a/c and a blank cheque to Mr Weatherman, c/o this column.)**

## Poverty, but not as you know it, Roy

Labour's former deputy leader has said the party must shift its emphasis. Here, Frank Field takes issue with his notion of an anti-poverty strategy



If only Roy Hattersley were right about what policies Labour should be pursuing, life would be so much easier for Tony Blair. The sad fact is, however, that the approach Roy advocates offers the Labour leader a hiding to nothing. Last weekend on these pages, Hattersley advocated a return to prioritising the needs of the disadvantaged and the disadvantaged. This, he said, should be done by an attack on poverty - specifically through improvements to the basic pension, and a massive building programme. Should the anti-poverty strategy he advances be adopted, most of the poor will be left untouched. Adopting the strategy, we are told, will enthrone the rank and file. But how will the voters, including most of the poor themselves, react?

On these big issues the punters have always been streets ahead of where the politicians think they are. The top-down, state-dominated strategy is likely to reignite all those old fears about Labour throwing money at every problem.

That is not to say that money does not have to be spent, or that an effective anti-poverty strategy should not be a key part of Labour's coming manifesto. It must be. There is little to be won unless we are in business to move opportunities sharply in favour of the disadvantaged. It is just that Roy's solution no longer fits the bill.

Not only have people's aspirations changed spectacularly, but an equally decisive change has taken place in the causes of low income. An effective anti-poverty programme must match

these changes. So, too, must a political programme shadow the decisive change to the privatisation of life that goes so far beyond Mrs T's privatisation measures as to make it absurd to mention them in the same breath.

The approach of the Thirties, or even the Sixties, is no longer relevant. The world to which these programmes were addressed has largely disintegrated. Roy is right that unemployment must be tackled. But it is not like the old days. Britain is a small cog in a fast-growing global economy. Many of those well-paying unskilled and semi-skilled jobs have gone for ever. Effective policy has to start from this point.

So many recent demands for an attack on poverty are in the "more of the same" mould. The poor are to be done good to, and there is little or no discussion on the part they should play in an effective strategy. Labour's new approach to welfare reform must take account of how benefit systems react on people's characters. The fastest-growing bundle of welfare benefits are offered on the basis of a means test. Yet means tests penalise effort, confiscate savings and tax honesty. By concentrating help in this form, the Tories

have created the very culture of dependency they publicly despise. Means-tested welfare teaches people at best to "work the system" and at worst to commit fraud.

It is crucial to link together two long-term strategies if Labour is to break dramatically with the discredited past. First, means tests must be phased out - perhaps a 20-year task - in favour of a new system of insurance. Such an insurance-based welfare system inculcates those moral values which society wants to protect and advance. Equally important, it may now be that an insurance-based system is the only kind the electorate will support.

Second, income support needs to be turned on its head, forming a life raft that takes people off benefit into work.

These sorts of proposals are not about cutting welfare bills. Given the changes that are rewriting our lives - the loss of jobs-for-life, and living for up to 30 years beyond the three score years and 10 - calls for more, not less, to be spent on welfare by those in work. A new unemployment insurance, for instance, must reflect the fact that many of us will move quickly

between employers over the whole of our working lives. Similarly, most pensioners will soon be living beyond their 80th birthday. When pensions were first introduced at the age of 70, the average length of life was 48 years. But handing over successive parts of the welfare state to a new insurance corporation or society run by contributors would have a major impact on the government's budget and thereby on tax levels.

I do not believe voters are going to be prepared to pay more of their income to finance their welfare unless they have a decisive say over the schemes. The National Insurance Corporation should only be sanctioned if accompanied by public training schemes and the possibility of work on the project thereafter. This is where John Prescott's careful studies in the regional economy will pay dividends.

So Roy is right in insisting that Labour must have a clear strategy to tackle poverty. But it must be one looking forward to the new millennium, and not backwards into a world which, for all too many, has already disappeared.

The writer is Labour MP for Birkenhead.

A 50-year quest to excel has succeeded - too well. Peter Tasker surveys a disconcerting future

## The era of Japan Inc is over

TOKYO - The 50th anniversary of the end of the Second World War finds the Japanese in an unusually troubled and self-questioning mood. For 1995 has truly been an *annus horribilis*. In all sorts of ways, the myths that have sustained Japan through the post-war decades have been coming apart at the seams.

It started on the morning of 17 January when in a few shuddering seconds the centre of Kobe was turned into a rubble-strewn wasteland. The human cost - 5,000 dead and 40,000 homeless - was the heart of one of the world's richest cities - was traumatic enough.

The shock was compounded by what was revealed about the reliability of the authorities. All the elaborate disaster drills and fail-safe procedures were shown to be useless. Residents were left to dig the dead and wounded out of the debris unaided; fires blazed unheeded due to the fire brigade's inability to obtain any water.

An even more shocking event followed - the nerve-gas attack on the Tokyo underground. The subsequent revelations about the schemes of cult-leader Shoko Asahara, a figure who could have stepped out of the pages of the weirdest "manga" comic-book, knocked giant holes in the myth of the safe, well-governed society. Is it possible that the police really had no idea what was happening? If not, they were incompetent. If they did, they were hugely irresponsible in allowing it to continue.

Economic policy-makers have fared no better. A series of grave misjudgments has brought the most dynamic economy of the post-war era to the closest condition to a debt deflation that the world has seen for 60 years. Zero growth, collapsing asset markets, a banking system rotten with debt - the obvious problems are unrelenting. The more disturbing feature has been the government's inability to master a situation which, given Japan's capital resources, should be by no means beyond solution. Again, the weakness of a system based not on rules but on the exercise of bureaucratic discretion has been made manifest.

The protracted economic slump is having significant side-effects. Intense pressure to cut costs is forcing changes in Japan's post-war corporate culture. When the growth machine stops, lifetime employment and seniority pay become unaffordable. When the stock market collapses, the practice of companies "cross-holding" each other's shares becomes a recipe for disaster. When large chunks of manufacturing industry move off-shore - a process which has only just begun - the *keiretsu* network of suppliers and sub-contractors has to be cut away at some point.

All this will have far-reaching social implications. Through the lifetime



Survivors of the Kobe earthquake and (below) children in Hiroshima after the atomic bomb Photographs: Reuters

employment system workers have allowed themselves to be exploited in terms of working conditions in return for long-term security. Similarly, small companies have allowed themselves to be dominated by large companies in return for stable business relations. Sacrifice in return for risk-sharing - that is the grand bargain at the heart of Japanese-style capitalism and the impressive social cohesion it has fostered. As the pre-war record shows, there is nothing culturally determined about Japanese social stability.

The current slide down the GNP growth table is profoundly disorienting for a nation that has defined itself almost exclusively in terms of economic success. The path Japan has taken over the past 50 years was mapped out by Japan's greatest post-war prime minister, Shigeru Yoshida. According to the "Yoshida doctrine", Japan could return to the first rank of nations only by concentrating all its efforts on economic development. It would provide forward bases that would allow the US military to dominate the Pacific. In return, it would receive free protection and open markets. At home politics would be dominated by the one-party rule of the Liberal Democrat Party, which was set up in 1955 with the help of CIA funding.

Real power, however, would remain in the hands of the bureaucracy. Exports would be prioritised, consumption repressed and foreign competition kept out of strategic sectors until it was too late to make a difference.



Industry would be organised hierarchically, and company unions encouraged in the place of trade unions.

It worked like a dream. Starting with the stimulus of Korean War demand, the Japanese economy took off on a super-charged reconstruction boom. Inflation and labour militancy - both serious problems in the immediate post-war years - were ruthlessly marginalised. Self-Defence Forces were set up, in apparent defiance of the Peace Constitution, but America's nuclear umbrella provided all the protection anyone needed.

The Tokyo Olympics in 1964 marked Japan's return to international respectability. In the same year Japan sloughed off the official classification of "developing nation" and was accepted into the OECD. Since then the factories have poured out an ever more sophisticated range of goods, incomes have soared and Japan's great companies have become leading players in the global economy.

So the psychological effect of the current slump runs deep. Over the years, Japan has grown accustomed to its industrial strategies being criticised, feared, admired and imitated. In the hubristic Eighties, Japanese intellectuals even talked of a "reverse Marshall Plan" through which Japan would bail out that economic basket-case the United States.

Indeed, from the other side of the Pacific, the situation looked threatening. Japanese companies were dominating key hi-tech industries and snapping up trophy assets such as Columbia Pictures and the Rockefeller Center. An influential group of Washington insiders was suggesting that American policy should be geared towards the "containment" of Japanese industrial power - a deliberate echo of Dulles-era Cold War rhetoric.

Unlike the original "evil empire", the industrial version is still alive and kicking. But containment is no longer necessary. The trophy assets are being sold off at knock-down prices and Japanese companies are struggling to keep up in new growth areas such as

multi-media and PC networking. While nobody was looking, the Japanese have done an excellent job of containing themselves.

The Americans, however, are unrelenting. Trade frictions appear to be endless and both liberal Democrats and right-wing isolationists have been questioning the value of the US-Japan Security Treaty, the bulwark of Japan's entire post-war foreign policy. Popular sentiment is reflected in the success of Japan-bashing best-sellers such as Michael Crichton's *Rising Sun* and Tom Clancy's *Debt of Honour*.

The eruption of bitterness about Japan's actions half a century ago can be seen in much the same terms. Simply put, the West no longer needs Japan as an ally in the fight against Communism. Conflicts, whether about closed markets or the treatment of POWs and "comfort women", can be brought out into the open.

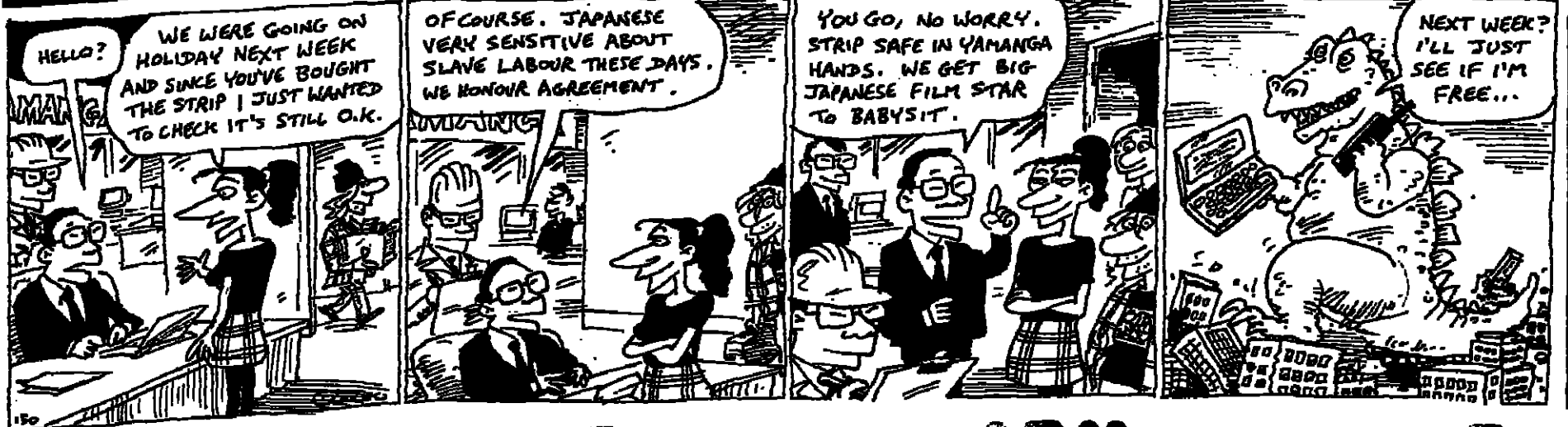
From the Japanese point of view, the natural response would seem to be a shift away from reliance on the West to an Asia-oriented strategy. Indeed, since the Meiji Restoration in 1873, Japanese intellectuals have veered between pro-Western and pan-Asian yearnings. The last swing to pan-Asianism supplied the ideological impetus to the Pacific War. Another such swing could have unfavourable consequences for all concerned. For this time there is competition within Asia itself. Another superpower already exists, nuclear-armed, increasingly powerful in economic terms, and as unpredictable and touchily nationalistic as Japan was on its own emergence on to the world stage. In the 21st century pan-Asianism will be a high-risk strategy.

Japan's long march - which began not with Yoshida but with the Meiji Restoration itself - reached its goal in the Eighties. In wealth and technology Japan had finally caught up with the leading countries of the West. The first attempt ended in disaster 50 years ago. The second achieved everything that Yoshida could have hoped for. Yet in some ways his vision may have been too successful for Japan's own good. The Japan Inc system became too powerful, too rigid. In retrospect, the elimination of politics as a creative force in society now looks like a fatal flaw.

The premises on which the system was built - American goodwill, an immature, fast-growing economy, bureaucratic wisdom - are crumbling away, but Japan's natural powers of adaptation seem to have atrophied. No doubt time will restore them, but this phase of political and psychological restructuring has many more years to run.

The writer is an analyst and author. His novel, *Silent Thunder*, is published by Orion, £4.99.

### Generation Why



by Tony Reeve and Steve Way

## What can Windows '95 do for you?

You've heard that Windows 95 will give you "more power, more freedom, more fun"

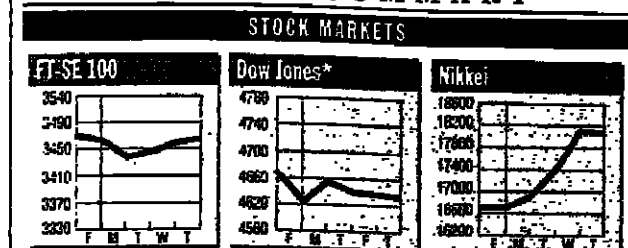
## Want to know how?

The Independent will be publishing the definitive guide to Windows 95, a 20 page pullout within Network on Monday 21st August. Essential reading for anybody who works with, already owns or is intending to purchase a computer.

**INDEPENDENT**  
Windows 95 supplement in association with  
**PCWORLD**



## MARKET SUMMARY



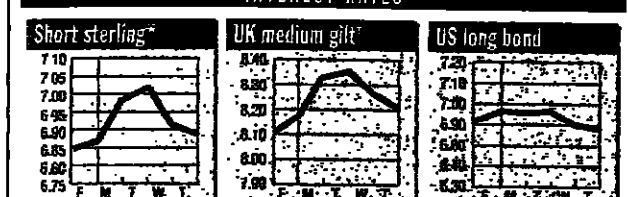
Index	Close	Day's change	Change (%)	12 Mth High	12 Mth Low	Yield (%)
FTSE 100	3470.6	+5.5	+0.2	3499.9	2943.4	4.1
FTSE 250	3870.4	+7.9	+0.2	3872.6	3300.9	3.4
FTSE 350	1730.8	+2.9	+0.2	1740.4	1477.0	3.9
FT Small Cap	1947.9	+1.8	+0.1	1947.9	1678.6	3.2
FT All-Share	1711.7	+2.8	+0.2	1719.0	1465.2	3.9
New York	4630.3	-8.8	-0.2	4736.3	3674.6	2.4
Tokyo	18148.7	-8.0	-0.05	20662.6	14485.4	0.8
Hong Kong	8896.7	-88.4	-1.0	10165.9	6967.9	3.5
Frankfurt	2260.3	+7.4	+0.3	2260.3	1911.0	1.9
Paris	1967.3	-3.1	-0.2	2075.3	1721.8	3.6
Milan	10523.0	-39.0	-0.4	11098.0	9255.0	1.9

\* Dow Jones index at 1500 hours / Nikkei index at 1330 hours

## MAIN PRICE CHANGES

FTSE 350 companies (excluding investment trusts)			Falls		
Rises	Price (p)	Change (%)	Price (p)	Change (%)	Yield (%)
Premier Oil	24	+1.25 5.5	Arjo Wiggins Apt 261	-7	-2.6
Telegraph	413	+20 5.1	Wilson (Commod)	155	-4
Airtours	395	+13 3.7	BICC	313	-7
First Leisure	331	+11 3.4	Wickes	128.5	-2.5
Kwik-Fit Hldg	166	+5 3.1	MFI Furniture	130	-2.5

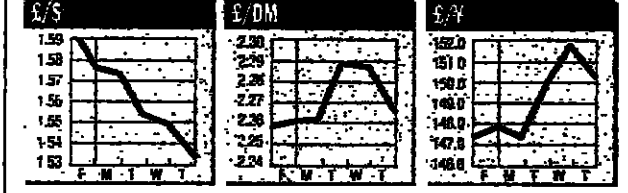
## INTEREST RATES



\* Life Savers index at 1500 hours / Nikkei index at 1330 hours

Money Market Rates			Bond Yields		
Index	1 Month	1 Year	Index	1 Year	10 Year
UK	6.66	5.09	8.22	8.54	8.27
US	5.88	4.75	6.56	7.16	6.95
Japan	0.84	2.16	3.40	4.60	3.92
Germany	4.50	4.81	6.78	7.11	7.42

\* Benchmark indices



Pound			Dollar		
Yesterday	Change	Year Ago	Yesterday	Change	Year Ago
\$ (London)	1.5387	-1.33c	1.5387	0.6520	+0.68
\$ (New York)	1.5485	+0.50	1.5485	0.6458	-0.25
DM (London)	2.2654	-2.31p	2.4008	1.4777	+0.04p
DM (New York)	150.31	-1.43	154.28	97.97	+0.16
¥ (London)	160.21	-0.6	87.6	93.6	+0.1

\* New York exchange rates and DM index at 1500 hours

OTHER INDICATORS		
Yesterday	Day's change	Year Ago
Oil Brent \$	15.99	+50.17 16.80
Gold \$	384.50	+52.00 377.55
Gold £	250.70	+3.93 246.62
FPI	149.1	3.5pc 2.3
GDP	2.9pc	4.1
Base Rate	6.75pc	5.25

Source: Datastream

## IN BRIEF

## Heatwave boom for drinks firms

The heatwave has sent sales of soft drinks and ice cream soaring with several drinks groups announcing increased production to cope with demand. Coca-Cola said sales last week were 30 per cent higher than last year. B&W has increased production of Hoopers Hooch, its new alcoholic lemonade, while Birds Eye Walls says ice cream sales are substantially higher than last year. Pub groups such as Whitbread said beer sales were doing well in the heat, though there was less evidence on sales of pub food. Shares in drinks groups Cadbury-Schweppes and AG Barr rose yesterday on the back of strong sales figures.

## Eurotunnel update in October

Eurotunnel has promised to update its forecast of 1995 results in early October, when it will also report on first half earnings. "Until then, Eurotunnel's management refuses to comment on figures given by various observers," the company said. *La Tribune Des Fosses*, a French construction journal, has reported that an association of small Eurotunnel shareholders expects the company to post a net loss of around 8bn francs this year, which compares with Eurotunnel's own estimate in May last year that the loss would be 4.7bn francs.

## Chairman retires

The chairman and chief executive of Barr & Wallace Arnold Trust, J. Malcolm Barr, is to retire with immediate effect. David Winterbottom, a non-executive director, has replaced him as chairman. Richard Bell, currently financial controller and company secretary, is appointed finance director.

## Successful bid for brokers

King & Shaxson announced that its recommended offers for regional stockbrokers Allied Provincial had been declared unconditional. Valid acceptances had been received covering 96.4 per cent of the entire issued share capital.

## De La Rue expands in US

A US subsidiary of the De La Rue printing and packaging group is to buy McCorquodale Security Cards from LHC Corporation for an initial payment of \$22.3m. A further payment of up to \$5m depends on profits for the 13 months to March 1996. McCorquodale makes payment cards for customers in North America. Operating profits were \$1.5m for the year to February 1995. De La Rue said the acquisition would further strengthen its position as a supplier of transaction systems to the North American market.

## Machine tool exports soar

Sales of UK machine tools climbed 12.5 per cent in the second quarter compared with the previous quarter, due mainly to a 23.2 per cent jump in exports, the Central Statistical Office said. There was a 7.9 per cent increase in home turnover. Compared with the same period a year ago, total turnover increased by 8.0 per cent. Total orders on hand at the end of June showed a 4.5 per cent increase compared with March.

## Brierley sells out

Brierley Investments has sold all its 11.5 per cent stake in Guinness Peat Group, some 47m shares, at a price of 67 NZ cents per share. The sale raised NZ\$31.8m (£13.3m).

# BSkyB plots digital TV as profits soar to £155m

MATTHEW HORSMAN

BSkyB, the satellite television company 40 per cent-owned by Rupert Murdoch's News Corporation, yesterday laid claim to being Britain's most profitable commercial television operation, as pre-tax profits rose 67 per cent to £155m.

The chief executive, Sam Chisholm, said the group was "in talks with everyone" to plot an aggressive entry into digital terrestrial television, following the Government's publication of a consultative document earlier this month.

"More importantly, everyone is talking to us," he said. The satellite and cable broadcaster "has the programming that drives this kind of technology", Mr Chisholm said. BSkyB, through deals with Hollywood studios and acquisitions of rights to sporting events, has developed a portfolio of channels that are broadcast to 4.2 million UK homes, either by direct-to-home (DTH) satellite or via cable.

Fully-owned channels include Sky1, Sky Sports and Sky Movies. The company also distributes channels for third parties, including music network MTV and, starting in the autumn, the Disney Channel.

Mr Chisholm yesterday lauded the Government's approach to digital terrestrial television, which will usher in at least 18 new channels available in the majority of British homes. "There are no rules or restrictions," he said. "Everyone can

pile in. And that suits a company like Sky down to the ground."

He added that BSkyB intended to introduce digital satellite television, capable of transmitting as many as 200 new channels, "sooner rather than later". While BSkyB would not subsidise the cost of set-top boxes required to receive digital signals, Mr Chisholm said there were "plenty of people who would be ready to do so, in order to get into this market."

BSkyB's traditional broadcasting business grew sharply in the year to the end of June, with revenues rising by 41 per cent to £777.9m and pre-tax profits up by 67 per cent to £155.3m from £92.9m last time, in line with City forecasts. The shares gained slightly to close at 345p. Analysts said the high share price reflected expectations that the stock will be included in the FTSE 100, attracting index-linked funds, once Pearson completes its sale of a 9.75 per cent stake. It is assumed the public holding of BSkyB would thereafter be wide enough to meet Stock Exchange rules regarding eligibility for the index.

BSkyB added 688,000 more subscribers in the past year, advertising revenues grew by 18 per cent to £92m, while income from installing dishes more than doubled to £15.8m.

Costs rose by the same percentage as revenues, Richard Brooke, group finance director, conceded. He added that aggressive purchases of programming would continue to drive costs. The aim, he said, was to attract more subscribers.

Mr Chisholm said: "We will continue to be aggressive purchasers of software," adding that "digital will be a quantum leap. It will make the growth of our system relentless, giving people more programming and therefore more reasons to buy."

Some analysts warned that the transition to digital would be costly for BSkyB, running to "several tens of millions" of pounds. "The costs will be immense, and profits will be a way off," said one analyst. There was also concern about the costs of

extending programming deals with film producers and sports organisations.

But other analysts were less worried. "Digital will come much more slowly than many people appear to think," Robert Jolliffe, media analyst at Hoare Govett, said. "The only downside for BSkyB is if Rupert Murdoch decides to give Sam Chisholm something else to do."

Pearson, the media and information conglomerate, has confirmed it will sell all or most of its 9.75 per cent holding in BSkyB, netting up to £550m, writes Matthew Horsman. It has appointed BZW and Goldman Sachs as global co-ordinators of the secondary offering, and will seek shareholder approval for the disposal at an EGM on 5 September. BSkyB is expected to be included soon in the FTSE-100, a move that would attract index-linked funds. Pearson has carried the BSkyB stake at £429m on its books. Assuming a £550m sale price, the stake would generate pre-tax profits of £110m in the current year. Capital gains of about £180m would be triggered, but Pearson has already made provisions for £141.5m of this, leaving a net gain of £70m.

Sam Chisholm: plotting an aggressive entry into digital TV

Photograph: Reuters

## BBC in talks on digital television

MATTHEW HORSMAN

The BBC has joined Japanese electronics company Sony and telecoms giant BT in an industry-wide working group to develop digital terrestrial television.

A BBC source denied that the group constituted a commercial alliance.

"Membership will be open to all those with a genuine interest in developing common standards to encourage the emergence of digital television," he said.

The group, which will also include the ITV companies, Channel 4, transmission company NTL and Motorola, will issue a press release today or on Monday detailing the memorandum of understanding.

The BBC refused to comment officially. A spokesperson said: "The BBC has always emphasised that co-operation among programme makers, service providers, set manufacturers and retailers would be essential if digital terrestrial is to succeed."

News of the working group follows the publication last week of the Government's consultative document on digital terrestrial television, inviting comments on how "through-the-air" digital broadcasting might be developed in the UK.

The Green Paper suggests that companies will be able to bid for "multiplex licences" allowing them to broadcast up to three streams of programming. The transmission and reception technology has yet to be fully developed but it is believed the system could operate by 1997.

BT is viewed as a natural partner for broadcasters in the development of digital terrestrial television.

Under current rules, it is barred from using its network to broadcast television signals, in a move designed to encourage the development of the embryonic cable sector. That prohibition will be reviewed at the end of the decade. Digital terrestrial television, by contrast, is open to all comers, subject to

## Tarmac deputy quits to bid for homes division

TOM STEVENSON

Deputy City Editor

Tarmac took a step closer to its planned withdrawal from housebuilding yesterday when John Lovering, its chief operating officer and one of chief executive Neville Simms' two deputies, resigned to put together proposals to buy the £400m homes operation.

The company, Britain's second-biggest housebuilder after rival Wimpey, said all disposal options remained open and stressed that Mr Lovering would not be given favourable treatment over any other potential bidder. Mr Lovering leaves the board at the end of the month and is not expected to return to the company from his current holiday.

Having joined Tarmac from Sears two and a half years ago, Mr Lovering has no experience of the housebuilding industry. His responsibilities at Tarmac included business planning, human resources and the recent restructuring of the American operation.

Before joining the company he spent seven years at Sears, where he was appointed finance director in 1988.

Tarmac is open to offers from trade buyers and has also considered a flotation of the housebuilding operations, which generated operating profits of £64m from the sale of just over 6,000 houses last year. It is understood, however, to believe a management buyout to be the most likely exit route.

When Tarmac announced it was quitting the home building market at the beginning of the month, the move was widely viewed as a vote of no-confidence in an already fragile market, a charge the company strongly denied.

Mr Simms claimed the withdrawal simply reflected Tarmac's inability to develop all its businesses to their full potential. The news prompted a call, however, from the mortgage and construction industries for more government intervention to revive the stagnant housing market.

Those calls have been reinforced since then by further falls in house prices and the announced withdrawal of BICC, another large housebuilder, from the market.

It is not known how far Mr Lovering has progressed in the search for funds which would have to total more than the division's net assets of £339m and probably closer to £400m.

## 'Casualties likely' in insurance

NIC CICUTTI

Motor insurance premiums look set to remain at their present low levels for another year and are likely to force a number of direct insurers out of the market, one of the UK's fastest-growing insurers predicted yesterday.

Independent Insurance, whose pre-tax profits rose 58 per cent to £16m for the first half of 1995, said that by the middle of next year many insurers would want to push rates back up.

But even if they were able to do so, the effect of any premium rise would probably not be felt until at least 12 months from now, Independent's chief executive, Michael Bright, argued.

"Competition is intense and many of our competitors seem to have reacted by reducing rates without taking full account of the quality or source of business," Mr Bright said.

"It is our firm view that this will result in casualties within the market. Our policy remains uncompromising on standards of risk management and protection. Therefore we only work with those brokers and clients who look for a consistent approach and are prepared to take responsibility for controlling the risks they face."

On the motor side, Independent has reacted against soft rates by targeting niche, non-standard risks, such as vintage cars, the Stagecoach bus fleet and even the Williams Formula 1 racing team.

In June 1994 standard risks on its books - conventional car drivers - accounted for about half of business. By June this year, the ratio had shifted to less than a third.

The company predicted that by the end of the year, standard private car business would account for less than 3 per cent of its overall premium income.

A similar niche move has been taking place on the home insurance side, with the ratio of non-standard to standard shifting from 13 to 20 per cent in the 12 months to June this year.

Independent also confirmed yesterday its determination to stand by its policy of dealing through independent brokers. The company has agency agreements with more than 2,000 brokers nationwide, although it

admitted yesterday that the vast majority of its business came from just a few hundred.

Gross written premiums in the first half of 1995 grew by 53 per cent to £200m. Despite intense competition, commercial business rose by 34 per cent to almost £70m.

On the motor side, premiums fell 12 per cent to £16m, while the underwriting profit dropped to £100,000. The company's takeover of UK general business from the Dutch insurer Aegon allowed Independent to develop its affinity scheme business through specialist brokers, with gross premiums at £13m.

Independent's results, which produced an interim dividend of 4.6p per share, lifted its share price 10p to 328p yesterday.

## Salomon seen as possible takeover target

DAVID HELLIER

Wall Street was yesterday forecasting that Salomon Brothers, the US investment bank that earns part of its living by brokering deals for others, is under threat of a bid itself.

The speculation follows moves by prominent hedge funds that are betting on a big shake-up at the firm, perhaps even before October when its largest single investor, Warren Buffett, must decide what to do with some of his near-20 per cent stake.

Ferrin Long, of the New York investment firm Brown Brothers Harriman, says: "On its own Salomon could stay in business as long as it wants. It has plenty of capital. But it all depends on what Warren Buffett wants. One thing's for sure, if someone does take it over it will have to be a goddam large bank."

Mr Long estimates that Salomon is worth about \$3.5bn. This week its shares rose more than \$1 to more than \$37 in spite of a credit rating downgrade from the rating agency, Standard and Poor's.

The shares moved up due to speculation of a shake-up at the firm where pressure is building for its British chief executive, Deryck Maughan.

The downgrade was not exactly unexpected - Salomon had been put on stand-by for some weeks - but it has once again raised questions about the future of the bank at a time its employees' nerves are already frayed due to the proposed im-

plementation of a new remuneration scheme.

The most important date in the calendar, though, is 31 October when Mr Buffett has the option of being paid out by Salomon for 20 per cent of his preferred stock or he can decide to transfer the same amount into ordinary stock at \$38 a share.

Peter Russ, of the New York investment firm Shelby Culm Davis and Co, says: "When he decides what he is going to do, Mr Buffett will be sending investors and analysts a signal of what he thinks about the future of Salomon Brothers."

The bank lost \$831m last year and it announced a \$65m loss in the second quarter of this year. There is talk that Mr Buffett, who brought in British-born Mr Maughan as chief

executive in 1992, might move to split the chief executive's job into two positions and name an outsider to fill the post.

But a couple of prominent US hedge funds have been betting on the nuclear fall-out theory, that Mr Buffett might seek a merger partner to put an end to all the turmoil instead.

Mr Maughan could not have dreamed for a better start at Salomon. In the year after his appointment the bank announced record profits of \$1.56bn but the bubble burst the following year, mainly because the bank, like most others, was caught out by a rise in US interest rates.

The current downturn in the bank's notoriously volatile business has also prompted a rethinking of Salomon's remuneration structure.

## Dealing competition will push up prices, says Stock Exchange

JOHN EISENHAMMER

Financial Editor

The advent of competing share dealing exchanges in London is likely to cause increased trading costs and regulatory uncertainty, the London Stock Exchange warned yesterday.

Dealing firms will face a higher administrative burden as a result of the fragmentation of price formation in the markets with competing pools of liquidity, the Exchange said.

The warnings came in a consultative document issued on changes to the Stock Exchange's rules made necessary by the impending breaking of its monopoly as rival electronic exchanges enter the market.

"The current rules are written on the basis that there is a single central market for trading UK equities," the document says, citing the need for urgent revisions. TradePoint launches the first electronic order-driven dealing exchange, trading in

the 400 leading UK stocks, on 21 September. Another computer-based market, Electronic Share Information (ESI), based in Cambridge, plans to launch its own screen-based order-driven system in small capitalisation UK stocks on 7 September.

Presenting the consultation paper, the Stock Exchange mounted a vigorous defence of what it sees to be the advantages inherent in the current central market system, pointing up pit-

falls in the move to competition. Stressing the significant cost and regulatory implications of the revisions, it notes the trend in countries with a fragmented exchange system, such as Germany, to consolidate business into a single market.

"For the Stock Exchange to dig its head in the sand and say that it will be expensive for anyone but themselves to list their stocks is a foolish, hopeless cause," said Jack Lang, director of ESI.

Specific proposals for key rule changes drew a positive response from TradePoint, which saw a softening of the Stock Exchange's counter-attack on the forces demanding greater competition.

"In its proposed changes to rule 2.1, the Exchange has accepted it no longer has a monopoly over regulating share trading. This is a major advance," said Stephen Wilson, executive director of TradePoint. He described the proposed op-



# Returns for water investors will start to dry up



COMMENT

"The customer's demand is for more and more for less and less. The losers can only be shareholders"

Public relations has never been a strong point for any of the privatised utilities. The oldest of them, British Telecom, is only just beginning to get it right. After an encouraging start, British Gas has of late repeatedly shot itself in the foot. The regional electricity companies were always hopeless at it. But it is the water companies that have become this summer's hate institutions. Hit by what they insist are exceptional drought conditions, they do little to help their position with an adequate display of concern and action.

The fault is not entirely their own. The seeds of this and most recent water debates were sown at the time of privatisation six years ago. Water companies were hedged around with a bewildering array of financial rules, regulations and general paraphernalia, in part designed to make them saleable to the City. Diverging the state from the vast costs of meeting tough new environmental and water standards was part of the Treasury's purpose.

Privatising what was in essence a tax destined only to rise was never going to be easy. A charging system based on usage would have helped the position. However, metering is still a long way off for the vast majority of households. In the meantime most of us continue to pay a flat rate regardless of the water company's ability to deliver a standard service. In no other private sector business would this be tolerated or even remotely possible.

In the midst of it all comes the announce-

ment and implementation by the water companies of a series of share buy-backs costing hundreds of millions of pounds. The financially literate might reasonably think of this as a wholly unconnected balance sheet restructuring which will ultimately reduce the cost of capital to water companies - the official explanation, this - but to those trying to come to terms with the industry's insistence that it is to do anything the customer will have to pick up the tab, it looks like a quite breathtaking display of waste and arrogance.

So far the City has taken a remarkably sanguine view. Share prices have scarcely been affected. This is a public relations problem that will be solved with the first rainfall, is the general view. There are all kinds of reasons for believing this may be misplaced. Certainly it is a problem not likely to go away without considerably higher expenditure than currently envisaged. The weather may be exceptional but hosepipe bans are not. They seem to happen in one part of the country or another almost every year now.

Water companies are required by the regulator to spend sufficient to ensure that hosepipe bans do not occur more than once every 40 years, and that drought orders do not have to be implemented more than once every 100 years.

These criteria are based on past weather patterns. It may be that these patterns are changing. In any case present levels of spending are plainly inadequate; a change

in the rules looks highly likely.

While in theory water companies are allowed to earn an adequate rate of return on any new investment, in practice public and political pressure is such that they may have to dig deep into their own pockets. To some extent this is already anticipated. Yorkshire Water has said it will share efficiency gains with the customer by undertaking a "discretionary" investment programme worth £125m over five years. This is over and above what the regulator already requires the company to spend. Any hope that this sort of largesse might alleviate the problem must fast be receding, however.

Though Ian Byatt, the regulator, insists that the charging regime will not be reviewed again for another five years, the customer's demand is for more and more for less and less. The losers can only be shareholders. In the long term, investors must reconcile themselves to considerably smaller returns from these businesses.

## Clarke was right about rates after all

Sometimes you can be right for the wrong reasons. Kenneth Clarke's decision in early May to keep interest rates on hold was almost certainly a response to the disastrous local election results the day before. But galling though it may be for Eddie George, it has turned out to be the right decision.

The latest inflation and retail sales figures show that the consumer is in no mood to accept higher prices. Only big discounts by retailers have led to higher sales. As long as consumers walk away from retailers' attempts to push up prices, inflation will remain under control.

This is not to say that retail price inflation may not edge up in the months ahead. Given the rises in factory gate inflation that occurred in July, it would be surprising if there were not some further increase in both the headline and the underlying rates.

But beyond this bulge in inflation, it is difficult to see where a sustained inflationary push may now come from. The Bank of England is quite properly concerned about a renewed wage price spiral. But underlying earnings are now running at the same rate as retail price inflation, an extraordinary state of affairs three years into a recovery.

On the balance of economic evidence available at the beginning of May, the Governor was justified in his demand for higher rates. On the balance of economic evidence now available, he should drop it.

## It may be too late for Murdoch's rivals

The dramatic transformation of BSkyB from bombed-out basket case to Britain's commercially best-placed TV company continues to astound. Rupert Murdoch

has sounded the battle-cry and the rest of the commercial television sector had better sit up and take notice. Confirming that it is the most profitable TV broadcaster in the country, Mr Murdoch's 40 per cent-owned BSkyB yesterday unveiled record figures and vowed to expand aggressively into digital television. The TTV companies will have to move fast to keep up.

There are three things that must be done. First, work together on a common standard for digital television, and make sure it provides access to all digital programming, whether satellite or terrestrial. Second, buy or make popular programming, and entice viewers into subscribing for pay services by offering TV (or other services like home banking and home shopping) worth paying for. Third, rely on existing libraries of programming as a mainstay of digital programming - benefit that is, from the "money for old rope" adage.

Some companies have managed to do one or two of these things already. Pearson has spent heavily to develop a programming library. The ITV companies have spent millions on original production. But only Mr Murdoch has done all three; he has a set-top box for his analogue services, great film and sports programming that 4.2 million British households are paying as much as £23 a month to receive, and a wealth of programming from his Hollywood Fox operations. It may already be too late for traditional independent television.

George's guns 'comprehensively spiked by these numbers'

# Static inflation sends the pound plummeting

PAUL WALLACE  
Economics Editor

Pressure for a rise in interest rates eased significantly yesterday, sending the pound down sharply against the US dollar and European currencies.

Behind the fall were surprising government figures showing that the annual rate of inflation did not move last month. The 3.5 per cent year-on-year figure shocked the markets which had been expecting a steeper rise.

Coming after fresh evidence of subdued wage inflation, the figures were seen as a further blow to the Governor of the Bank of England, Eddie George, in his tussle with Chan-

cellor Kenneth Clarke over interest rates.

The pound fell 1.5 cents against the US currency to \$1.5337 and by two pence against the mark to 2.2654. The trade-weighted index ended at 84.3, a fall of six-tenths of a point.

The Treasury welcomed the figures as signs that inflationary pressures were being contained. Headline inflation has been under 4 per cent for 38 months, the longest sustained period since the war.

Headline and underlying inflation stayed at 3.5 per cent and 2.6 per cent in July, confounding market expectations of a rise, and delivering the Gov-

ernment a welcome fillip after the setback of the first rise in unemployment in two years.

"Eddie George's guns have been comprehensively spiked by these numbers," Ian Shepherdson, economist at HSBC Markets, said. The gilts market took the same view with the September future rising half a point as fears of interest rate increases receded.

The annual rates of headline and underlying inflation (excluding mortgage interest payments) had been expected to rise to 3.7 and 3 per cent respectively because of the effect of heavy discounting in last year's summer sales.

These had resulted in a sharp decline of 0.5 per cent in the retail price index compared with its level in June 1994, a fall the City did not think could be matched this year.

But the markets were wrong: the retail price index did drop back in July, by 0.5 per cent, leaving the annual rate of inflation unchanged. The monthly decline in the retail price index, excluding mortgage interest payments, was the largest in the 20 years the series has been compiled.

However, inflation is still generally expected to pick up in

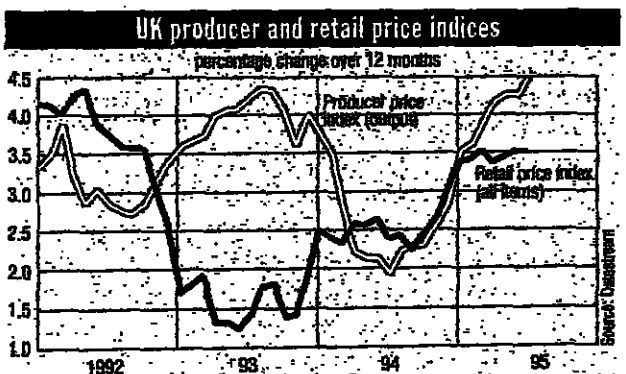
the autumn as particularly favourable influences such as lower than usual seasonal food prices go into reverse.

Seasonal food, which had shown only modest declines at the same time of year in 1994, fell 7 per cent on the month, following an even bigger decline in June. A fall in potato prices as new potatoes came into the stores accounted alone for a fifth of the monthly decline in the all-items index.

The drought is expected to make the usual increase in seasonal food prices in August worse. The hot weather which has helped to bring down prices could exact its own price with a sharp rebound in seasonal food inflation.

There is also doubt about the continuing capacity of retailers to absorb the higher prices being charged by manufacturers. Earlier in the week it was revealed that factory gate inflation had jumped unexpectedly from 4.2 to 4.5 per cent in July.

Retailers certainly took it on the chin in the summer sales. The most startling revelation from the figures was a record 4.6 per cent monthly decline in clothing and footwear. This was larger even than the 4.2 per cent fall last July.



## Trade figures dampen dollar

Hopes of a renewed lease of life for the dollar rally foundedered yesterday when the US failed to deliver the improvement in the trade deficit that the markets had been expecting, writes Paul Wallace.

On a day of consolidation, the dollar stood at \$97.97 and DM1.4777 at the London close, virtually unchanged from Wednesday.

The dollar's principal gains were made against the pound, as sterling fell back on market expectations that interest rates in the UK had peaked after weaker-than-expected inflation figures.

For the third month running, the US trade deficit exceeded \$11bn. The market had been expecting a deficit of

\$10.6bn, but the June trade gap turned out to be \$11.3bn. However, the May figure, which had initially been estimated at \$11.4bn, was revised down to \$11.1bn.

The increase in the deficit was because of a larger decline in exports than in imports. Exports fell by 1.2 per cent on the month, while imports fell by 0.6 per cent.

Over the six months between January and June, compared with the same period in 1994, the overall deficit has increased by 28 per cent to \$64bn. The principal reason for the deterioration has been the bilateral deficit with Mexico. This accounts for about 70 per cent of the worsening in the overall deficit.

The collapse in economic activity in Mexico - it fell by more than 10 per cent in the second quarter of the year - has wrought havoc with US trade. In the first half of 1994, the US ran a surplus of \$1.1bn. This has now turned around to a deficit of \$8.6bn.

There was an increase of 6 per cent in the politically sensitive trade deficit with Japan. However, David Bloom, economist at James Capel, said that Japanese data, which is in advance of data from the US, pointed to a large improvement in the bilateral deficit in July.

"We believe the bounce back in the US economy coupled with concerted action to prop up the dollar makes it unlikely that the

fed will move at the FOMC meeting on August 22," Mr Bloom said.

Support for this view came from a stronger-than-expected indication of business activity in the Philadelphia Fed Index for August. The overall index rose from -23.7 in July to 4.4, compared with a market forecast of -12.4.

Initial jobless claims in the US were much in line with what the markets had been expecting.

Jobless claims in the US rose by 6,000 in the week ending 12 August to reach 338,000. The four-week moving average was 341,000, which the US Labour Department described as being the lowest level of claims since March.



Thomson is the latest casualty as the hot summer makes waves for holiday operators

Photograph: Tony Ward

## Late bookings hit Thomson

NIGEL COPE

The hot summer weather and weak consumer confidence claimed another casualty in the travel sector yesterday when Thomson, the UK's largest tour operator, announced a heavy half-year loss.

Thomson, which is part of the Canadian Thomson Corporation and includes Horizon travel, Lunn Poly travel agents and the Britannia airline, said bookings of package holidays were being delayed until the last possible moment, causing heavy discounts.

The announcement comes two days after Airtrics, Britain's second-largest travel group, issued a profits warning saying profits for the year could

be down by as much as 25 per cent.

Thomson said the delay in booking last-minute deals had forced a higher-than-expected level of discounting which was having an adverse effect on margins. The problems have pushed Thomson's travel business into a \$1m loss in the six months to June.

The company said it expected to achieve a "modest" increase in bookings for the summer as a whole in a market which has shown no growth.

The UK travel industry has been caught out this year by lower-than-expected demand coupled with a record-breaking summer. The industry was forecasting a 5 per cent increase from 10 to 10.5 million pack-

ages. But the growth failed to materialise, leaving about 500,000 extra holidays which had to be sold at knock-down prices. Capacity will be cut next year and holiday prices will be higher as a result of increased accommodation prices and VAT increases. The industry is forecasting price rises of 8-10 per cent.

There was better news at Thomson's airline Britannia Airways, which is operating at near-maximum capacity this summer. Winter bookings for next year have started well and are 7 per cent higher than last year. The Lunn Poly travel agency chain is performing satisfactorily despite "difficult market conditions".

In property letting, Country

Holidays is trading in line with expectations as are the two recent acquisitions, Blakes and English Country Cottages.

The decline in the travel business knocked the gloss off otherwise improved results in the Canadian-owned Thomson Corporation. In the six months to June profits increased from \$175 to \$216m on sales up 15 per cent to \$3.3bn.

In publishing, the UK regional newspapers, all in the process of being sold, improved profits with significant gains in display and recruitment advertising revenue. In July, Trinity Holdings, the Liverpool-based press group, successfully offered to buy the British titles outside Scotland in a deal worth £280m.

## Buy-back OK for Southern Water

MARY FAGAN  
Industrial Correspondent

Southern Water, one of the 10 water and sewerage companies in England and Wales, became the first in the sector to implement buy-back powers - although several companies have them - at a cost to the company of £16.2m.

Southern refused to say if or when it might make use of the powers to buy its own stock, but City analysts said its intention was clear. One analyst said some shareholders had been dissatisfied at the company's actions so far in realising shareholder value. Southern has not joined the trend among water companies towards special div-

idend payouts or the issue of preference shares.

At the company's annual meeting, Southern's chairman, William Courtney, said it intended to carry out a "financial restructuring exercise to improve the balance sheet and provide enhanced long-term value for shareholders". The precise form of restructuring would be decided later this year.

Shares in Southern Water rose by 10p to 688p and those in Anglian Water added 3p to 549p. Northumbrian Water bucked the upward trend, falling by 2p to 908p on speculation that Lyonnaise des Eaux of France may drop its proposed

takeover if it cannot persuade the water regulator, Ofwat, to ease demands for price cuts of up to 20 per cent.

Earlier this year, Southern said it would not pay extra dividends and rebates out of past cost savings. Mr Courtney has said that past efficiency savings had already been factored in when the regulator set the new price cap last year.

He said that rather than give handouts, other companies "could do no better by customers than increase discretionary spending on dealing with foul flooding, low water pressure, improvements in storm outfalls and smells around sewage works".

## Package to rescue Lloyd's wins backing

JOHN EISENHAMMER  
Financial Editor

Lloyd's of London has found broad-based support for its massive rescue package among investors in the insurance market, according to a survey carried out by Mori.

The survey showed that 63 per cent of respondents said they viewed favourably the £2bn restructuring package, aimed at enabling a "new Lloyd's" to trade profitably into the future by drawing a line beneath the huge losses of the past that have ruined countless investors.

The package will allow investors to make a final contribution to Lloyd's, which will end all their liabilities. It will be combined with an agreement to cease all litigation against the society.

The survey found that 88 per cent of members knew about the plan, launched in May. A key part of this plan is the setting up of Equitas, a new reinsurance company into

which all of Lloyd's policies written before 1993 will be placed. The main reasons for the favourable response to the survey are that it amounts to an improvement on previous proposals, it will cap liabilities, it will bring the whole traumatic affair to a conclusion, and it will help Lloyd's to continue.

Some 65 per cent of respondents said they are likely to support the plan. Respondents said the proposals will be most advantageous to continuing investors, market professionals, and those investors' action groups that have challenged Lloyd's in the courts over the massive losses sustained in recent years.

Since 1993 the proportion of members actively underwriting has fallen from 81 to 50 per cent and the survey showed that only around 45 per cent are likely to continue underwriting in the future.

The survey was carried out in late July, and covered a sample of 100 investors.

## Morland steps in to buy Unicorn for £12.3m

MAGNUS GRIMOND

Morland, the Abingdon-based brewer famous for its Old Speckled Hen ale, has stepped in as a white knight for Unicorn Inns, the "Newt & Cucumber" pub group under siege from its rival Regent Inns.

Morland has stiched up an agreed £12.3m deal to buy Unicorn and said yesterday it was at an advanced stage in talks for another retail acquisition, which it expects to announce within a fortnight. Shareholders are being called on for £19.9m in a one-for-five rights issue at 465p to finance the deal.

Morland's chief executive, Michael Watts, denied speculation that the company was set to buy Surrey Free Inns, a pub group quoted on the Alternative Investment Market, but he said the deal would involve managed pubs in an adjacent geographical area and suggested further moves could follow.

Morland's shares fell 5p to 545p, while those of Regent Inns

also slipped 5p to 475p as the company said it would allow its £8.1m offer to lapse. Morland has tied up irrevocable undertakings for its offer from the owners of £1.7 per cent of Unicorn's shares.

Morland said improving the quality and size of its managed retail pubs had been a strategic priority in recent years. Expansion of its managed estate has been spearheaded by the Artist's Fare food chain, aimed at the older drinker. Unicorn will bring a new emphasis on high volume youth drinkers in city centres through the main Newt & Cucumber format, although the more genteel Wig & Pen concept is designed to attract female customers.

Morland is offering four of its own shares for every five in Unicorn, with a 402p-a-share cash alternative. Mr Watts said the price being paid worked out at just under £1m per managed pub. Morland also forecast a final dividend of at least 8.3p for this year.

## Banks open global forex clearing house

JOHN EISENHAMMER  
Financial Editor

The City's position as the world's pre-eminent centre for foreign exchange dealing is enhanced today with the opening of the first global clearing house for interbank foreign exchange.

Echo has been set up by a group of big commercial banks, including Barclays and Midland, to improve the settlement procedures in an international market estimated at \$1,000bn of trades a day.

"Banks have invested heavily in trading operations, people and sophisticated technology, both to win business and to trade, but they are using settle-

ment mechanisms still rooted in the 18th century," said Graham Duncan, Echo's chief executive.

The driving force behind setting up the clearing house, which will operate on the same principles as the well-established clearing houses in the derivative markets, has been to minimise the risk involved in settlements.

"Settlement losses occur more often than many people realise. The scale of the risk is huge - it is not uncommon for two banks to owe each other \$2m overnight in settlements," Mr Duncan said.

By stepping in between the trading counter-parties, the clearing house removes the

need for all trades to be settled individually. Instead, a bank will only have each day to settle the net amount of its trades with its opposite number.

Under the present system, banks have to settle their currency obligations before knowing the bank on the other side of the transaction has paid it. With the introduction of the clearing house, the risk will be reduced to the net amount of all the deals.

The formation of Echo, on which an initial group of 15 banks have been working for several years, has been driven by the explosive growth in foreign exchange trading. Twenty years ago the average deal size

was \$750,000. Today it is \$10m. The liberalisation of exchange rates, the growth in global capital flows and the increase in hedging of risks has fuelled the market's development.

London has established itself as the pre-eminent centre for forex clearing.

The last survey by the Bank for International Settlements, in 1992, found the average daily net foreign exchange market turnover in Britain was \$300bn, compared with \$192bn in the US and \$126bn in Japan.

The newest survey, which is out at the end of this year, is believed to show that London has consolidated its position.



## business

## Fokker rescue plan within two weeks

MARY FAGAN  
Industrial Correspondent

Fokker, the Dutch aircraft manufacturer, will present a survival plan to the government and to its parent, Daimler Benz Aerospace, within the next two weeks.

The announcement came after the troubled company's shares were temporarily suspended yesterday on the Amsterdam stock exchange until Fokker gave assurances that it could fulfil its financial obligations because of guarantees from Dasa.

The exchange demanded an explanation on the company's balance sheet position and future credit facilities following the record first-half losses of 651m guilders (£257m) reported by Fokker on Tuesday.

The loss slashed shareholders' equity to 50.1m guilders from 711.9m guilders at the end of 1994.

At the same time the company warned that it faced another substantial loss in the second half of this year. Some

industry analysts said that Fokker may need as much as 1.5bn guilders from the Dutch government and from Dasa, which owns 51 per cent of the company, to survive.

After the bourse declared itself satisfied with Fokker's response, shares returned from the brief suspension with a small decline to 8 guilders.

Dasa said it would support Fokker in its efforts to resolve its problems. A spokesman said the group was working with the government and the workforce on a solution.

"Naturally we stand by Fokker," he added. But he declined to elaborate on what measures might be taken to try to turn the Dutch subsidiary around.

A spokesman for Fokker said the company was in clear need of fresh capital to tide it over the present difficulties but he also said business was picking up.

"We have sold or leased 42 aircraft so far this year, compared with 50 in the whole of 1994. The problem is not our products. The problem is out-

side factors, including the weak dollar and falling market prices," he said.

Recent years have seen a process of consolidation involving most of Europe's regional aircraft manufacturers, reducing costs and allowing far more competitive pricing.

The company said that about one third of the loss in the first half of the year was due to currency fluctuations. The company is vulnerable to a weak dollar because most of its costs are in guilders, while its sales revenues are in dollars. The loss of 651m guilders, was the biggest in Fokker's 75-year history and outstripped the most pessimistic forecasts.

Ben van Schaik, Fokker's chairman, yesterday said: "The immediate survival plan, which is in the hands of Fokker, will be on the minister's desk within two weeks and will then be discussed with the minister and Dasa." He added that the German parent would play a crucial role in the medium- and long-term strategy that would be drawn up later.

## Hoechst profits double as product prices soar

TOM STEVENSON  
Deputy City Editor

Soaring product prices and buoyant volumes helped the German chemicals giant Hoechst almost to double profits in the six months to June. First-half profits exceeded those recorded at the peak of the last cycle in 1989.

The result, driven by strong performances in the chemicals and plastics businesses, outstripped analysts' expectations. They had forecast a 76 per cent rise in profits against a reported 96 per cent increase to DM2.1bn (£917m), up from DM1.1bn.

The profits were struck from sales of DM26.3bn, a 6 per cent rise on the first half of 1994. Margins rocketed from 4.4 to 8.1 per cent.

Unit sales were up 5 per cent and sales prices were an average 8 per cent higher than a year earlier, Hoechst said. But

it added that currency fluctuations cut sales by nearly DM2bn, or 8 per cent.

The company said: "Management are also expecting favourable business in the second half of the year and for 1995 as a whole a strong increase."

The figures excluded Marion Merrell Dow, which Hoechst acquired in two stages in June and July. After changing its name to Hoechst Marion Roussel, the new subsidiary will be consolidated from 1 July.

The plastics division achieved the strongest increase in sales, with turnover rising 24 per cent to DM2.65bn. Chemicals division sales rose 18 per cent to DM2.93bn, fibres sales 6 per cent to DM3.74bn and specialty chemicals 5 per cent to DM4.38bn.

Hoechst said European sales rose 11 per cent to DM14.9bn and sales in Asia, Africa and the Pacific region combined were

up 5 per cent at DM4.09bn. American sales slipped 2 per cent to DM7.26bn as a result of the weaker dollar.

Analysts argued that if the dollar continues its recent appreciation, the effects could help offset a traditionally weaker third quarter.

A stronger dollar would be especially helpful for Hoechst's pharmaceuticals and agriculture business, where production is still largely based in Germany, analysts added.

The stronger dollar could also lend psychological support to sector share prices as it may dampen lingering fears that a price decline will eventually knock earnings lower.

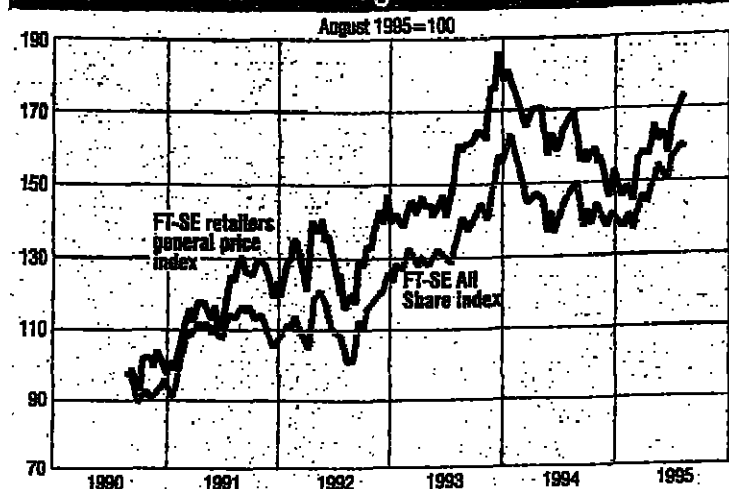
This year's unexpected market appreciation, particularly against the dollar and several European currencies, has hit German companies hard, including the three big chemicals businesses, Hoechst, BASF and Bayer.

## THE INVESTMENT COLUMN

Edited by TOM STEVENSON

## Mixed signals in the high street

## Stores shares against the market



This week's batch of economic statistics has put another question mark over the ability of Britain's retailers to pull themselves out of the doldrums. The market thinks things are improving - shares in general retailers have outperformed the rest of the market by close to 5 per cent since the beginning of the month - but the outlook remains worryingly mixed.

On the bright side, although overall retail sales volumes remained relatively sluggish in July, much of the growth was concentrated on textiles and clothing, pointing to signs of strength on the high street. But the upturn came after dull sales in May and June and inflation figures yesterday - pointing to a 4.6 per cent price fall in clothing and footwear, one of the biggest on record - suggested the extra sales were won at the expense of margin.

That prognosis seems to chime with the gloom that descended on the sector in May and extended right through June after a series of profits warnings and negative trading statements from companies ranging from W.H. Smith, the news agent, to the women's clothes retailer Etam and House of Fraser, the stores group floated last year.

But the big picture seems at variance with the view that emerged from the companies last month, when the City's more dismal prognostications failed to materialise. Results and trading statements from nine separate players on the high street led to only one significant profit downgrade by analysts during the month - at MFI.

Despite the macro-economic evidence, the City has tended to discount talk of margin pressures at the big groups. Ian Macdougall of the broker Williams de Broe points out that gross margins have broadly held their own or increased at the four large stores groups since 1990, a period covering one of the worst retailing recessions since the Second World War. Boots, indeed, has seen its margins fatten steadily from 43.1 to 46.7 per cent in that time.

Any margin pressure experienced this summer is likely to be seen at fashion-dependent groups such as Etam, where poorly-received summer ranges in the spring coincided with a period of particularly cold weather. Offloading these unwanted stocks as the sun drew people back into the shops in July may account for at least part of the divergent trends evident in the latest economic statistics.

For most of the rest of the larger groups, observers remain confident that they will be able to cope with the new price consciousness among consumers. Savage cost-cutting has helped, but there has also been a structural shift through investment in information technology, which has cut stock and enabled retailers to change the mix at short notice to meet demand. Bet-

ter managed operations, such as Argos, have even shown that the new environment can be used to their own advantage. Half-time profits up 43 per cent were won using low prices to generate healthy underlying sales growth of over 7 per cent.

But while retailers are coping with consumer diffidence and economic uncertainty, they are far from prospering. An interest rate rise of perhaps half a per cent towards the end of this year could take the shine off any tax cuts handed out by the Chancellor in November. In the circumstances, it may be too early to call the turn yet and investors should stick with quality stocks such as Marks & Spencer and Boots.

## Johnson waits to clean up

Johnson Group Cleaners' half-year results split cleanly down the middle - a dreadful year in the high street dry cleaning operation offset by a strong performance at the workwear rental arm, to give underlying interim figures as flat as a pancake.

Sliced up another way, the figures showed a good advance in the UK making up for a weak half-year in the US. Johnson's trick is clearly to get all its cylinders firing at once.

Reported profits were a good deal worse as they included an £863,000 one-off reorganisation charge to appoint a new US chief executive and clear out some of the dead-wood management acquired with purchased businesses. The charge followed a larger one-off in last year's full-year figures to sort out the UK operations, knocking a previously disjointed grouping of regional businesses into a sensible national whole.

After the charge, pre-tax profits fell from £8.2m to £7.2m. Earnings per share of 8.98p (10.4p) easily covered a maintained dividend of 2.5p.

Johnson is the largest dry cleaner in both Britain and the US and it is addressing the question whether to move over to a national brand. The jury is out on whether consumers care about the name above their local dry cleaner - location is the key - or even whether they actively favour the family-owned shop. Plainly, however, there are trading advantages in terms of shared overheads, centralised systems and the ability to take out national advertising campaigns.

Those issues play second fiddle at the moment, however, to the absence of the "feel-good factor". Dry cleaning, it seems, is a late-cycle business - late into recession and slow to recover - so the company is working on the as-

## COMPANY RESULTS

	Turnover £	P/Pre £	EPS	Dividend
Argylls Bros (F)	23.8m (22.6m)	1.2m (1.1m)	19.3p (17.9p)	3.9p (3.7p)
B&B (F)	777.9m (550.5m)	155.2m (92.9m)	8.7p (6.8p)	2.5p (-)
Independent Insurance (F)	-	18m (10.1m)	24.9p (15.4p)	4.6p (4p)
Johnson Group Cleaners (F)	84.7m (83.2m)	7.2m (8.2m)	10.4p (10.27p)	2.8p (2.8p)

(Q) - Quarterly (F) - Final (I) - Interim

## Explosion knocks chemicals group

DAVID HELLIER

Shares in Albright and Wilson, the international chemicals group floated on the London stock market earlier this year, slipped 4p yesterday to 189p after an explosion at one of the company's plants in the Midlands.

The fire services were called to its Oldbury Works site on Wednesday evening but there were no injuries or health risks to local residents, the company said.

It is believed the blast was caused by two incompatible chemicals accidentally mixing in an acid plant. An investigation was immediately ordered.

Albright and Wilson, which used to be part of ICI, the US-based industrial company,

was floated in February. Its shares were offered at 150p, a lower price than Tenneco had originally expected because of the lack of appetite in the City for new issues.

The company suffered a serious explosion at a plant in Charleston in the US in 1991, resulting in seven deaths and a number of serious injuries.

At the time of the UK flotation, the company said its safety procedures had been significantly improved since then and any legal liabilities arising out of that explosion were fully covered by insurance.

The latest incident is not seen as anything like as serious, since there were no injuries and the plant was within weeks of being decommissioned.

## Westdeutsche ready for London boost

JOHN EISENHAMMER  
Financial Editor

Westdeutsche Landesbank, which is preparing to bolster its investment banking activities in London, yesterday reported an increase in first-half operating profit to DM1bn (£442m) before risk provisions compared with DM944m, half of last year's total.

A number of German banks traditionally compare first-half results with half the total of the previous year's results.

WestLB, a state-owned bank which is the third largest in Germany and has embarked on an aggressive strategy of expansion at home and abroad, said interim operating profit after risk provisions reached DM472m,

compared with DM396m. Friedel Neuber, WestLB's chairman, said: "We can be satisfied with our results, because we have stabilised our earnings at a good level and have fully taken into account all recognisable risks in the half-year results."

WestLB, which has a strong position in Third World debt, is finalising plans for developing its investment banking operation in the City. West Merchant Bank. This will involve hiring several hundred people, notably as it builds up a securities presence. WestLB did look at Smith New Court during the recent takeover competition for the leading City broker, eventually clinched by Merrill Lynch of the US.

"The War brought hardship and deprivation to everyone. To many of its survivors, old age is doing the same."

Dame Vera Lynn, Patron

50 years ago, everyone in Britain played a part in securing the freedom we now take for granted. But today, too many of that generation are involved in a bitter struggle - against hardship, against illness and handicap, and against loneliness. Tribute & Promise is a special anniversary appeal, set up to draw attention to the needs of the wartime generation and to raise the funds that will help them to live their lives in comfort and dignity. Your help is much needed. And never has it been so well earned.

Please make a donation at any Bank, major Building Society or Post Office (quoting Freepay 1945). Or post this coupon today.

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Mr/Mrs/Miss/Ms

Address

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I enclose a donation of £

Please make cheques/POs payable to Tribute & Promise and send to: TRIBUTE & PROMISE, PO Box 1945, London EC1R 0BX. Reg Charity No 1040620.



## Nigel Cope CITY DIARY

They don't come much closer to a marketing man's dream than Linford Christie. Followers of athletics and readers of the Independent who saw yesterday's front page photograph will have noticed that after his victory in the 100m in Zurich the other evening, Christie removed his running vest to reveal a large white Puma logo emblazoned on his chest.

The logo - on the left pectoral to be precise - looked so incongruous that observers might have thought it was a previously unnoticed birth mark or a rather unfortunate birth drooping.

Is this a new trend in sports sponsorship? Can we expect Gazza to have three Adidas stripes inked into his platinum blond crew cut? Or André Agassi to have the distinctive Nike tick shaved into his chest hair?

Puma - which has had a deal with Christie for 13 years - says that the sprinter usually removes his shirt after races but this was the first time that he had worn the logo, a temporary tattoo. Puma arranged the deal through Christie's agent, Nuff Respect, and is understandably delighted at



Linford Christie: sponsorship deal is close to the heart

the coverage. "Linford is a great media vehicle for our brand and he likes doing things that attract attention," the company said.

Coca-Cola is just one of the companies enjoying a summer bonanza because of the continuing heatwave.

The Coke company said yesterday that sales last week were 30 per cent higher than the same week last year and six per cent higher than its best week on record.

Birds Eye Walls, part of Unilever and the largest UK

If Northumbrian Water gets really desperate in its defence against a hostile takeover from French group Lyonnais des Eaux, perhaps it will make use of its mythical address. The company's headquarters is based at Abbey Road, Pity Me, Durham. Northumbrian tells me that Pity Me is a corruption of the French, Pitié Mère, meaning small sea. Apparently French settlers alighted upon the North-east village back in the dim and distant past when there was a small lake there. This has long since been dredged and replaced by an aesthetically pleasing industrial estate. "There are a number of villages with unusual names up here," Northumbrian says. "There is one up the road called No Place."

ice cream maker, is equally chippy. The company sold 100 million ice creams in July. 10 per cent more than last year. This month looks like being even better with sales currently running at more than double last year's total.

Cadbury Schweppes, which markets Coca-Cola through a joint venture, is pleased as punch with the big soft drinks binge but is saying precious little about its sales of chocolate.

Kevin Hawkins, former corporate affairs director at WH Smith, has jumped ship to join Argill, the Safeway supermarkets group.

Dr Hawkins, one of that rare breed of PR men with a PhD, joined Smiths from Lucas in 1989. He says that his departure was nothing to do with the trauma of having to deal with WH Smith's

profit warning earlier this year, the company's first in 15 years. "I had been there six years and decided it was time for a change before I reached 50," he said. "How old is he now? A well-preserved 47."

























## SPORT

TOMORROW


**ALEX FERGUSON:** Glenn Moore talks exclusively to the manager of Manchester United; plus team-by-team Premiership guide

**COUNTY CHAMPIONSHIP:** Lancashire made to toil ■ Middlesex pile up the runs ■ Warwickshire in command

# Yorkshire set out to defy the Red Rose

MARTIN JOHNSON

 reports from Old Trafford  
Yorkshire 393-6  
v Lancashire

Artificial motivational devices are rarely required for matches between these two teams, but if Yorkshire are in the market for a mischievous response to the fact that Lancashire occasionally play old Winston Churchill speeches to themselves, they could do worse than offer their oldest rivals a few crackling recordings of Ramsay MacDonald.

It would be one way of reminding Lancashire of the incumbent Prime Minister the last

time they won the Championship outright, in 1934, although Lancashire's prospects of ending that 61-year odyssey were not hugely enhanced by yesterday's events.

**COUNTY CHAMPIONSHIP TOP FOUR**

	P	W	L	D	Net
Northants	13	10	2	1	33 47 240
Warwickshire	12	9	2	1	32 43 224
Lancashire	12	9	2	1	31 44 219
Lancs	12	8	2	2	39 46 213

Standings before current round of matches

For most of the day, Lancashire played as though Winston's 1940 guide to what to do on beaches did not so much involve fighting, as lowering the deckchair a couple of notches

and hailing a passing ice cream vendor. In fairness, though, this was a blinding toss for Yorkshire to have won, and their first-day total of 393 for 6 was not quite as imposing as it threatened to be at 303 for 3.

This is the 239th Roses match and, with one side batting all day, it did little to erase the impression that the previous 238 have all ended (on the "give the buggers now!" principle) in a draw. The pitch was perfect for four-day cricket - largely embracing the batsmen, but with something in it for bowlers with a bit of skill and sweat.

Yorkshire arrived here on the back of two consecutive defeats which have more or less ended their season, but there is no consolation prize they would like better than having a hand in the Red Rose suffering an attack of greeny.

There were also individual considerations, such as David Byas attempting to persuade the watching Raymond Illingworth (not that ill needs much nudging when a Yorkshire is involved) that he is worth a place in the final Test match next week.

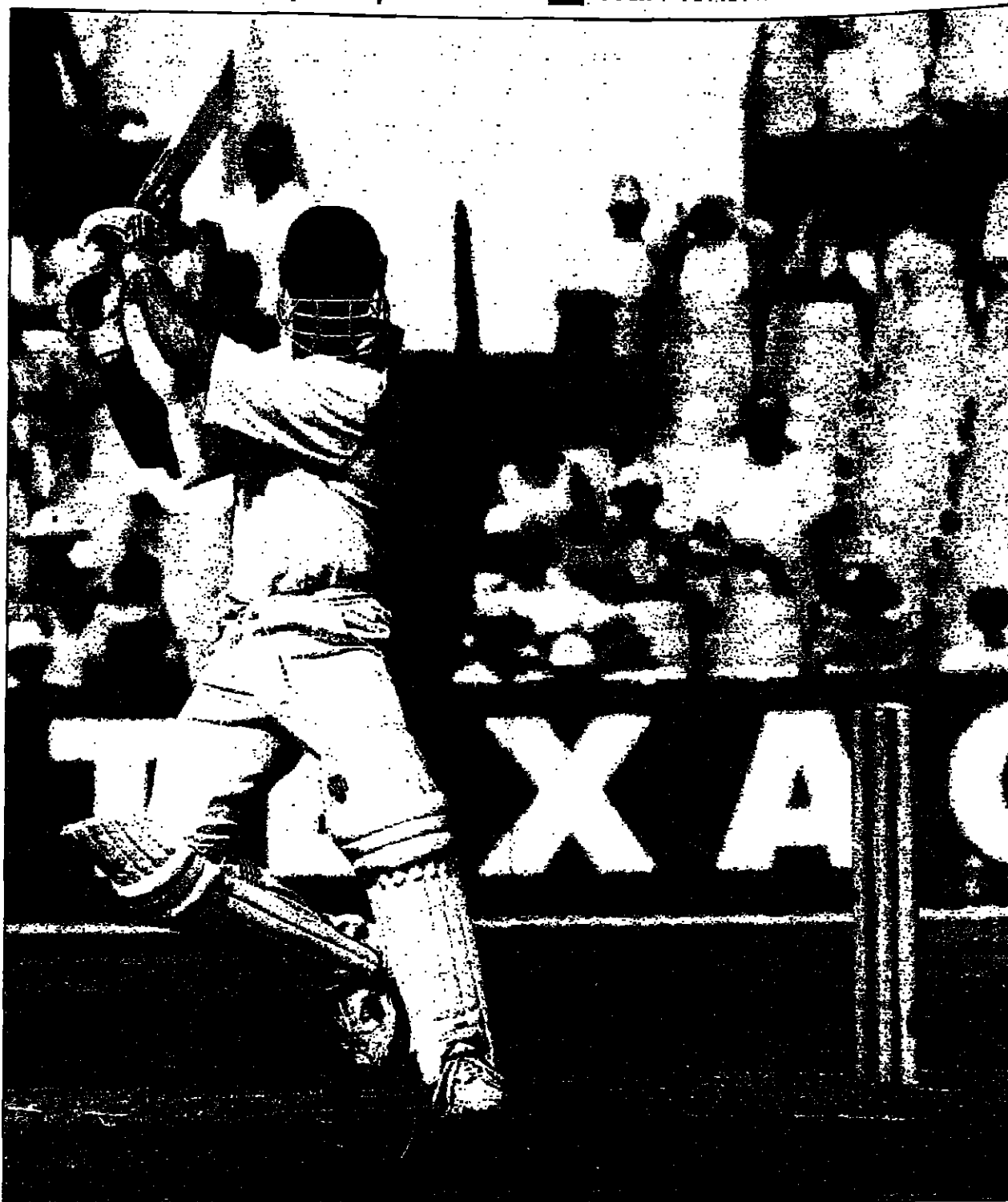
Byas, the country's leading run-scorer, ostensibly made a case for himself with an innings of 76, but it was in no way fluent, and on the rare occasions Wasim Akram got it up around throat height, the left-hander was pretty unconvincing.

Ashley Metcalfe's days of being touted as an England possible (illy's son-in-law or not) have long gone, although his unbeaten half-century restored the balance of power back to Yorkshire.

The opening wicket provided a collectors' item in that Glen Chapple's return catch off Michael Vaughan was the first instance of a Lancashire-born Yorkshireman being dismissed by a Yorkshire-born Lancastrian in a Roses match. This would be more of a freak were it not for the fact that for 124 years, interlopers such as Vaughan and Michael Bevan were not allowed to play for Yorkshire.

Bevan made 95 off 139 balls until Mike Watkinson took 3 for 17 in five overs, including Bevan's wicket with one of several balls which turned sharply. No profligate use of the hosepipe here. The pitch is as dry as a ship's biscuit, and Richard Stamp will have his chance to impress on it today.

More reports, scoreboard, page 25



Yorkshire's Michael Bevan cuts loose in the Roses match at Old Trafford yesterday

Photograph: Simon Wilkinson

## Munton makes the difference

MIKE CAREY

 reports from Trent Bridge  
Nottinghamshire 166  
Warwickshire 139-2

Warwickshire found both the Trent Bridge pitch and Nottinghamshire's batting somewhat variable in quality yesterday, and it did their Championship prospects no harm at all. The Munton served them best and his 5 for 37 took his haul of wickets to 33 in nine games since he returned after a back operation.

While the ball was new and the pitch had a greenish tinge, Allan Donald's pace ripped out both openers but it was Munton who took the important

wickets of Paul Johnson and Chris Cairns in successive overs and his figures for his final spell said it all for him: 11-5-16-4.

Unsurprisingly, Johnson and Cairns were the only home batsmen able to put bat to ball with any positive intent on a pitch which may turn out to have more of a past than a future.

His dry and cracked surface produced a lowish bounce which made timing far from straightforward. Apparently Ron Allsopp, the groundsman, was so concerned about being unable to prepare this pitch properly because of the fifth Test, which finished only on Monday, that he thought long and hard about even using the five-day old Test pitch for this game.

In these conditions Munton, operating as ever from close to the stumps, pins batsmen down by offering them no room at all. His first victim was Graeme Archer, though this was an everyday story of lack of footwork as he was leg-before playing half forward, which left Nottinghamshire at 25 for 3.

This was the seventh successive time that Dermot Reeve had lost the toss. It hardly seemed to matter when Colin Banton was soon fourth out, cutting at Ashley Giles's quicker ball, but Johnson and Cairns eventually not only located the middle of the bat but used it with great vigour to add 84 in 21 overs.

Such a forthright approach deserved a rather more fortunate ending than Johnson experienced. Sharping to drive Munton,

he hit ball and ground at the same time and was caught at slip. Munton then ripped one back to remove Cairns and nothing much happened to bother Warwickshire after that.

Even so, they must have expected to have to graft hard for their runs, especially when Nick Knight was undone by Andy Pick's change of pace. But the combination of left and right-hand batsmen seemed to unsettle Nottinghamshire's bowlers (and some of their fielding for that matter). Dominic Oslie's 47 included 10 fours and a six extracted from variations in line and length and, along with Wasim Khan's accomplished half-century, left Warwickshire more healthily placed than they probably dared hope.

One man who is happy with the NZRFU offer is the All Blacks captain, Sean Fitzpatrick, who has signed up with his union, like his team-mates Jeff Wilson and Josh Kronfeld. Fitzpatrick said he expected most of the All Blacks to follow suit. Ian Jones, Frank Bunce, Robin Brooke and Norm Hewitt were last night all said to be on the point of doing so.

## Gatting cuts into Kent

HENRY BLOFIELD

 reports from Lord's  
Middlesex 362-5 v Kent

It was the day of the square cut in St John's Wood. For some reason Kent's bowlers were certain that if they bowled short and outside the off stump, they would reap dividends. They did, and all were paid into Middlesex accounts, especially that of Mike Gatting, who made 136.

Gatting these days comes as near as any batsman can to living by the square cut alone. An extraordinary percentage of his runs come in the 45 degree arc between third man and point. Kent made a good start on a pitch which looked full of runs when Dean Headley, back on his old stamping ground, and Martin McCague removed Paul Weekes and Mark Ramprakash for only 26 runs. After that Kent did not help themselves, not least when Headley, after bowling 21 overs, was forcibly removed from the attack for the rest of the innings by umpire Trevor Jesty for repeatedly following through down the middle of the pitch.

Early on Jason Pooley had square cut Headley and Graham Cowdrey had dropped an awkward chance two handed high to

his left in the gully. Worse was to follow for Kent when Gatting, who was 14, square cut McCague and was badly put down by Min Patel to his left at cover.

The square cutting now began in earnest. All the bowlers, seam and spin alike, were guilty of giving Gatting and Pooley the chance to indulge this stroke. Steve Marsh, captaining Kent, made no apparent effort to block the stroke nor did he or anyone else appear to instruct his bowlers to redirect their attack.

There were other strokes, of course, as Pooley pulled Mark Ealham for six and Gatting began to use his feet to drive the spinners through the covers and back over their heads. They added 189 for the third wicket.

Gatting should have been run out when 74 and again at 83 and he was dropped at short extra cover when 85. The run out eventually came when Gatting, who was 97, square cut Steven Herzberg to within a yard of the boundary, and Pooley's excellent innings ended when he was run out five short of his century.

John Carr batted pleasantly for a time before being lbw playing across Headley and Gatting, after hitting one six and 18 fours.

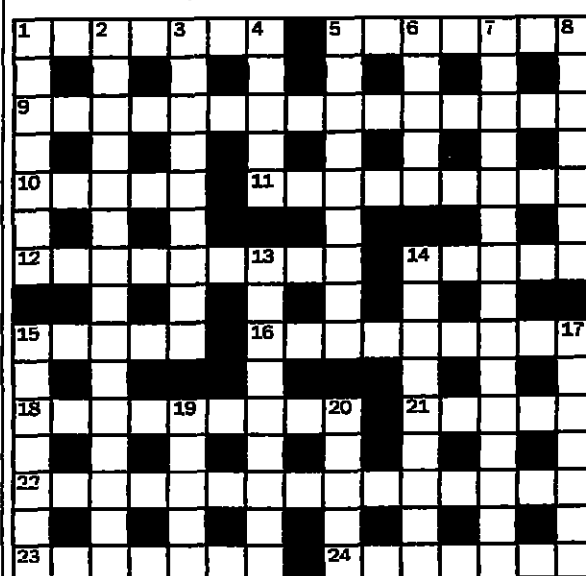
lbw half forward to McCague. Keith Brown and Dion Nash then took Middlesex past 350.

**THE INDEPENDENT CROSSWORD**

No. 2756, Friday 18 August

By Sparrow

Thursday's solution



DISCONTENTED TORY  
PLEASANTLY  
DIAMANTINE  
ECHRITAN  
DIETIGIAN FALLS  
SMEBOG  
ACUTE REEDUCATE  
TUB  
ULTRAHIGH SHOED  
NINER  
GOLIC POLIATION  
U ELLI  
REARNER DIODE  
ANGANND  
RINE POLYESTERS

**ACROSS**

- 1 Faster! (7)
- 5 Road-making material nearly all buried in explosion (7)
- 9 What you've so far done twice in a French car? (10,5)
- 10 Man possibly stationed by a gangway (5)
- 11 Chooses quiet time to smuggle in smokers' requisites (4,5)
- 12 Treaty of Rome (9)
- 14 Alexandrian artist to note, not at all pornographic (5)
- 15 Hoped to change sacerdotal vestment (5)
- 16 Losing head, Nanny tries in vain to be domineering (9)
- 18 Products of technology after changes incorporated into book (9)

**DOWN**

- 21 Gather one's to be conveyed in American vessel (5)
- 22 Like the earlier life of Shoo-Woman, presumably? (6,9)
- 23 Staff failing to show proper respect? (7)
- 24 You could see their feathers when they're in the shell (7)
- 1 Old supporting structure US agents put up (7)
- 2 Dummy with no attempt to deceive? (5, 2, 3, 5)
- 3 Related to both parties? (5, 4)
- 4 Almost a suggestion politician is a clot? (5)
- 5 Obscene signal to partner - it indicates departure's imminent (4, 5)

**Football**

CLIVE WHITE

- 6 Student always in bar (5)
- 7 Dislike of the men from the ministry (15)
- 8 Disloyalty evident when man abandons the cause (7)
- 13 How one might describe cyc? Brown, perhaps (9)
- 14 Case for introducing abbreviated name, thanks to neologism (9)
- 15 Being given a blessing to some extent is empowering (7)
- 17 Oriental flower planted in very small space (7)
- 19 German doctor quick to embrace underworld's leader (5)
- 20 Tennis games leading to altercation (3-2)

## Stewart ruled out for The Oval

Alec Stewart, the England vice-captain, has ruled himself out of the sixth Cornhill Test against the West Indies at The Oval, starting next Thursday.

Stewart's right index finger, broken twice last winter and again in the third Test this summer, has still not healed sufficiently to risk it in the series decider on his home ground.

"It's frustrating," the Surrey captain said. "It's improved considerably - in fact, it is the best it's been for a long time.

But the sixth Test is such a big game and you have to be able to know you can go in there and complete the job, and I can't afford to take the risk.

"It's got to be strong enough to take another knock, which we don't feel at the moment it is. If I could guarantee that I would not get hit on the finger again, I would have been playing weeks ago."

"I have had nets on the bowling machine, when obviously you know the ball is not going

to hit you on the finger, and there was no problem. But it hasn't healed sufficiently to be able to say it is 100 per cent.

"I don't know when I will be able to play for Surrey. It probably needs another couple of weeks to make sure and obviously the winter tour is at the back of my mind. I want to get it right for the trip to South Africa. But it's not a question of me saying it for the winter. Once it is right I'll play - but it won't be ready for a while longer yet."

## Gould dons mantle of new Wales manager

Football

CLIVE WHITE

Bobby Gould, who steered Wimbledon to an inconceivable victory in the 1988 FA Cup final, last night accepted the task of trying to repeat his success with Wales, the Dons' international equivalent, when he signed a two-and-a-half-year contract as manager which will take him up to the 1998 World Cup finals in France.

The appointment by the Football Association of Wales brings to an end a seven-week search to find a successor to Mike Smith, who was sacked when the national team's hopes of qualifying for the finals of the European Championship in England next summer suffered an embarrassing, premature failure. Gould is their fourth manager in two years.

Like Smith, Gould is an Englishman, but he was quick to point out the success enjoyed by his compatriot, Jack Charlton, with the Republic of Ireland team. "If I can achieve what

Jack has done with the Republic I am sure this nation will be going in the right direction."

Gould, who finished top of an impressive shortlist which included Howard Kendall and Mike Walker, added: "I had a dream and that was to become the manager of Wales. It has now been fulfilled."

Brian Fear, the president of the FAW, said: "Our aim is to reach the final stages of the 1998 World Cup. Bobby's aim is to get us there. We've been so close but we hope Bobby will lead us to that goal."

The Welsh international Kit Symons has rejoined his former manager, Alan Ball, in a £1.8m deal which takes the central defender from Portsmouth to Manchester City. Ball was manager at Fratton Park when Symons joined the club a schoolboy. Ball may also have solved goalkeeping problem, signing Eike Immel from VfB Stuttgart for £400,000. Immel said of Ball: "His knowledge of football is vast and I hope this move will strengthen my international career as well."

The Middlesbrough manager Bryan Robson has denied that he is set to move again for Andrei Kanchelskis, after the Manchester United winger's £5m move to Everton collapsed on Wednesday. "As far as I am concerned it is pure speculation," he said. "I think Manchester United and Everton will sort it out."

Injury-hit Liverpool have put Paul Stewart's proposed loan to Sunderland on hold. The Roker Park club want to take the former Tottenham player on loan with a view to completing a permanent transfer. But Roy Evans, the Liverpool manager, said: "Because of our injuries we can't afford to let him go up there yet."

Marco van Basten, the Milan and Netherlands striker, has announced his retirement. Van Basten, 30, who also played for Ajax and was European Footballer of the Year three times, had not appeared in a competitive game since the 1993 European Cup final, following a string of ankle operations. "It's a sad day, but life goes on," Van Basten said.

## Andrew fear over lack of sponsor

**Rugby Union**  
DAVID LLEWELLYN

Rob Andrew last night expressed concern over the protracted negotiations between the England players and the Rugby Football Union. The talks are aimed at trebling the England players' earnings for promotional work with the help of a new, as yet unnamed, shirt sponsor.

Pressure of work has forced Andrew off the players' negotiating team and his place has now been taken by the England captain, Will Carling, as they step up attempts to take the players' earnings from last year's £16,000 to what is expected to be a sum in excess of £50,000.

But Andrew said: "All of these figures are coming out of the ether. It's not money that the RFU are giving, it's all new money, which they are trying to sort out with a new shirt sponsor. Nothing's been signed. They are clearly talking to one or two people but a deal of that magnitude still has to be signed."

Andrew was angered at suggestions that he resigned because he had lost credibility with the rest of the squad after apparently having unofficial talks with WRC representatives. "It is purely work commitments that have prompted my resignation," he said yesterday.

He is concerned about the immediate future, particularly since the Kerry Packer-backed World Rugby Corporation looks to have abandoned hope of setting up a professional series.

The southern hemisphere players have done extremely well out of it all, as we always knew they would. Now it's down to the northern hemisphere unions to ensure that their players are not disadvantaged. We will be playing South Africa, who will be professional by then, in a matter of weeks, and Wales play them next month," he said.

Uncertainty still surrounds Jonah Lomu's destiny. The 20-year-old All Black wing is being chased by two rugby league clubs, Leeds and Sydney Bulldogs of Australia, both of whom have offered substantially more than the £100,000 per year the New Zealand Rugby Football Union has offered All Blacks. Lomu's agent, Debbie Tawes, has not said what offer from the NZRFU would satisfy her client.

One man who is happy with the NZRFU offer is the All Blacks captain, Sean Fitzpatrick, who has signed up with his union, like his team-mates Jeff Wilson and Josh Kronfeld. Fitzpatrick said he expected most of the All Blacks to follow suit. Ian Jones, Frank Bunce, Robin Brooke and Norm Hewitt were last night all said to be on the point of doing so.

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